The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

July 8, 1939

Reminder to Wang Ching-wei

AN EDITORIAL

U.S. Foreign Policy Muddle

Blow to British at Swatow

BY REVIEW CORRESPONDENT

The Anglo-Nippon Parleys

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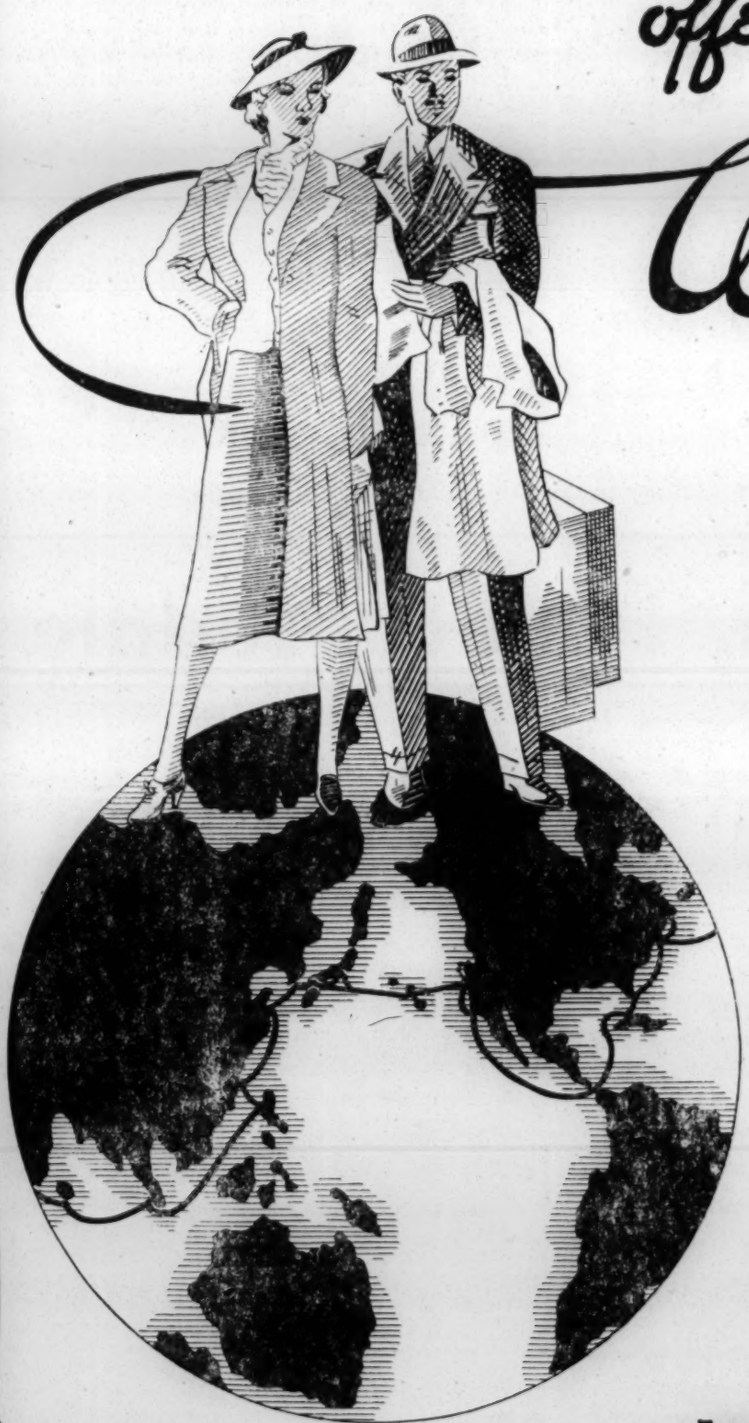

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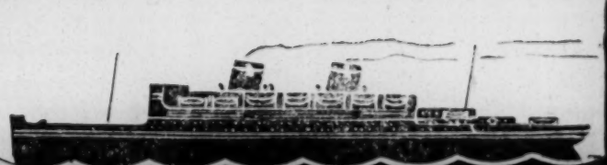

AMERICAN PRESIDENT LINES

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

SYNTHETIC STOCKINGS

To the Editor:

I think the readers of **The Review** would be interested in the following letter, signed by Marion Levine, New York, which was published in the correspondence column of **Time Magazine**, on June 5:

"In a recent issue of **Time** you noted that the President of General Motors had presented Princess Ingrid of Denmark with a pair of synthetic silk stockings. Since the Japanese sacked Nanking in 1937, I have worn no silk at all—and the substituted lisle and rayon hosiery are hateful to me.

China Today, N. Y.

Those synthetic silk stockings sound like the answer to a maiden's prayer. Are they on the market as yet? If so, where, please? If not—who is making them? Surely not General Motors? Whoever is making them can probably use another experimenter to test their wearability as a new product—so if you can give me any information I will be more than grateful."

The editor of **Time** supplied the following information for the writer of the above letter:

"Du Pont's synthetic silk, said to have the elasticity that rayon lacks, is a synthesis of coal, air and water called Nylon, or Fiber 66. Nylon is not yet on the market, but Du Pont has given three girls at the New York World's Fair a pair of Nylon stockings apiece which they have been wearing steadily for the past three weeks. Celanese Corporation of America is also working on a synthetic silk fiber, as yet unnamed."

Aside from the foregoing, and also indicative of the trend of the times, is the fact that Congress turned over to the Department of Agriculture the sum of U.S.$30,000 for the 1938-1939 fiscal year to use in conducting experiments in developing a line of cotton hosiery that would be acceptable to American women in place of silk. This grant recently has been renewed **(Business Week)** for the coming fiscal year. As a result, there have been developed a score of different designs for cotton hosiery, all of which are full-fashioned. The newstyle cotton hosiery will sell from 69 cents to $1, while plain styles will sell two pairs for $1.

That the Japanese realize the perils involved in a loss of the American silk market is indicated in the fact that the Japanese silk associations recently have sent high officials to the United States well armed with funds for spreading propaganda—and also advertising subsidies for magazines—to head off the growing boycott of Japanese silk.

I am enclosing for your possible use a cartoon dealing with the subject which appeared in the magazine **China Today**. There is no disputing the fact that a stoppage of American purchases of Japanese silk for a period of possibly one year would stop the war. We hear much about American sales of cotton, scrap iron and munitions to Japan. A stoppage of Japan's silk sales in America would make it impossible for Japan to buy our oil and scrap iron.

DISGUSTED.

Shanghai, July 1, 1939.

RAPE OF ALBANIA

To the Editor:

The little kingdom of Albania is the most recent victim of aggression. Coastal towns were engulfed by the modern weapons of attack, and it was all over in a day. It was a smash and grab in true bandit fashion. Chamberlain has advised Italy that "Great Britain is prepared to recognize the preponderant position of Italy in Albania." One after another, the small nations are betrayed by those in whom they have placed their trust.

Hitler has been assured that Great Britain does not desire the encirclement of Germany. Why not? War is just around the corner and there are weapons of warfare besides the military. There is the economic weapon. The thumb-screw of economic pressure, if applied against aggressors, would save millions of lives, which will be sacrificed on the bloody fields of Europe. An impenetrable economic wall should be erected around aggressor nations, within which they would devour each

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other like monsters of the deep. There can be no peace with dictators, for, they must perforce keep marching on. Democracies say what they will do in three years. The dictators do it today. In three years it will be too late. In three years, the last vestige of civilization, such as we understand it, may be destroyed.

The events of the past few months demonstrate the folly of harboring in any country those who are engaged in subversive propagahda. Communists, fascists and nazis should be extirpated root and branch in defence of national security.

What concern have governments for humanity? They are only concerned with conferences, treaties and trade agreements, and the millions massacred are soon forgotten. Never in history has there been misery on such a colossal scale as exists in China today. Seven nations have disappeared from the map since the Great War, which was fought for justice and liberty. So we said, and then belied it immediately. Of our former courage there remains only a boastful truculence, which poorly disguises our weakness. It is high time that those who have regard for the destiny of the British Empire should realize that spats and top hats are no match for guns and steel helmets.

F. E. BURNHAM,
Brigadier-General.

Halcyon Hot Springs,
Arrow Lakes, B.C.,
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A Reminder in Season to a Politician Who Displays a Short Memory

ON July 30, 1937, only 23 days after the Lukouchiao incident which precipitated the Sino-Japanese hostilities, a certain Chinese politician with a long record of service in the Kuomintang—and, let it be remarked in parenthesis, a memory not so long—delivered a speech in Nanking, then the capital of China. His remarks were reported at length in *The China Weekly Review* for August 7, 1937 and we believe some of these remarks may appropriately be recalled on this second anniversary of the war which has brought nothing but ruin to both the Chinese and Japanese peoples.

"Japan's invasion of China has no end; since Sept. 18, 1931 Japan has been strangulating China step by step," the speaker began. He reviewed the whole previous history of Japanese aggression against China and the non-resistance policy which the Kuomintang Government had pursued. Then he referred to a speech delivered by Gen. Chiang Kai-shek on July 17, 1937, in which the Generalissimo declared that China had reached "the limit of endurance" and must fight for her self-preservation. The speaker endorsed what the Generalissimo had said.

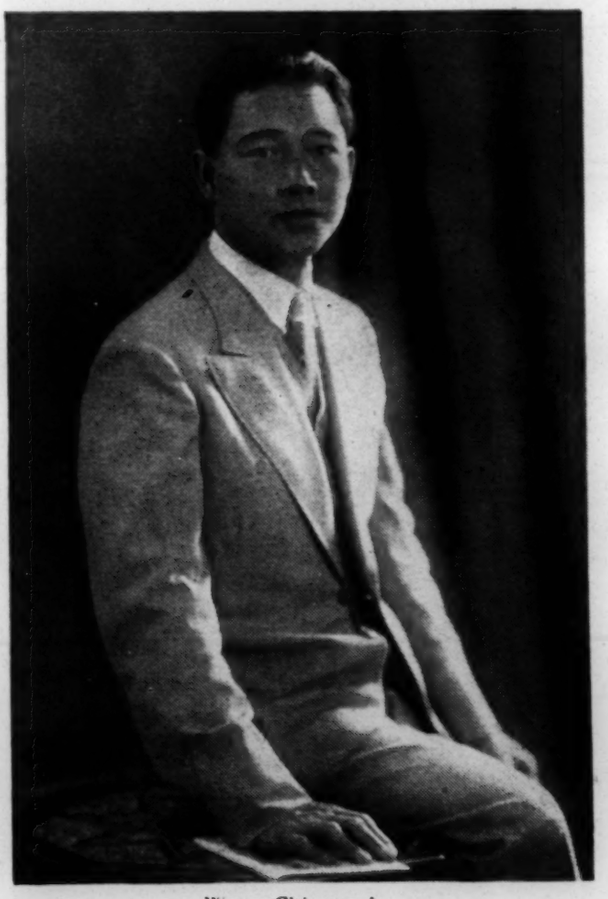
For years, he went on, China had made repeated sacrifices and restrained herself to the limit, but now she realized that Japan's aggression was fathomless. The limit of China's endurance had therefore been reached and the country must resist the Japanese aggressors and be prepared for great sacrifices. "For if we do not sacrifice our lives the only recourse is for us is to become puppets."

The speaker continued his remarks with a question: "Are we willing to become puppets? If we are not, the only way open is for us to make the supreme sacrifice. Citizens of a weak country may not conquer others, but they are at least able to sacrifice themselves, provided that they are determined."

But according to the orator, individual sacrifice was not enough. "The Chinese people must see to it that none of their compatriots live to become puppets. They must also see to it that all cities, towns, villages and hamlets are reduced to ashes, so that by the time the enemies occupy our territory they will find nothing left for them."

Eighteen months later, the author of these remarks, which became the war policy of the Kuomintang Government, had fled from Chungking, the provisional capital. He condemned the spirit of sacrifice which he had previously extolled and castigated the Kuomintang Government for pursuing the "scorched earth" policy which he had earlier endorsed. For the Japanese imperialists, the ravishers of China, he had not a word of condemnation.

Man of Short Memory



Wang Ching-wei

For the past six months he has been trafficking with China's enemies and is now preparing to become their Number One Puppet.

Yes, you have guessed correctly. The gentleman who delivered the speech in Nanking on July 30, 1937 was—Wang Ching-wei!

China's "Sacred Province," Like Gaul of Old, Divided Into Three Parts

(By Ex-Shantung)

Japanese radio broadcasts in the Chinese language on Sunday, June 25 announced that General Yu Hsueh-chung, Commander-in-Chief of National Government troops in the Shantung-Kiangsu war zone, and Admiral Shen Hung-lieh, Chairman of the Shantung Provincial Government, "had been dismissed from office by the Chungking Government because of their defeat by the Japanese." The report was immediately denied by the Chungking authorities, but the circulation of the report by the Japanese constituted an admission on their part that Shantung, after practically two years of bitter fighting, is still unconquered. The Japanese have repeatedly announced the elimination of hostile elements in Shantung, but usually they are forced to report further "mopping-up" campaigns a few weeks later. That was the case early in May and again on July 2 when the Japanese Army announced from Tsinan that Japanese troops had "defeated" forces of the Chinese 4th and 114th Divisions. The report revealed that Japan had fought 128 battles with Chinese troops in Shantung, with the usual claims of victories accompanied by the alleged slaughter of vast numbers of Chinese. The accompanying article by a former resident of Shantung contains the latest and most authentic information about conditions in China's "Sacred Province."

SHANTUNG today, as Gaul of old, is divided into three parts. One part is controlled by the Japanese; one by the Chinese and the third is a sort of "no man's land" between the two contestants. The boundary lines between these parts are not fixed, but shift back and forth according to the military power and success of the contending armies or groups. In general, however, the part controlled by the Japanese is slowly expanding. In April the Japanese asserted that they had their officials, Chinese together with Japanese advisers, in 76 out of the 108 counties of the province. One cannot contend, however, that their control over these counties is one hundred per cent effective. The provincial budget for the current year is put at Mex. $6,000,000 and the receipts at $9,000,000, while in pre-occupation days the annual receipts were approximately $30,000,000. In other words, the present receipts are about 20% of the normal income. This 20% seems to be a fair yard-stick by means of which to measure the extent of Japanese control in Shantung.

The Japanese administrative set-up follows pretty much the former Chinese system except that there are now Japanese advisers by the side of the Chinese officials, and these advisers have the real power. For example, Chao Ch'i, a former mayor of Tsingtao, is again the titular head of the beautiful port city; but his Japanese adviser is the real mayor. Ma Liang was governor of Japanese controlled Shantung until the Japanese had him superseded by H. E. T'ang, former Commissioner of Finance, but the real governor is K. Nishida, formerly Consul-General in Tsinan and now supreme political adviser. Shantung has still another governor, an appointee of the Chinese Central Government, in the person of Shen Hung-lieh, who was mayor of Tsingtao at the time of the Japanese occupation. We come thus to the following result in terms of current administration:

1. Governor of Chinese controlled Shantung: Shen Hung-lieh.
2. Titular governor of Japanese controlled Shantung: H. E. T'ang.
3. Actual governor of Japanese controlled Shantung: K. Nishida.
4. Super-government—the Japanese military authorities in Shantung.

The spinal cord of the Japanese controlled sections of Shantung is the Tientsin-Pukow Railway and the Kiao-Chi Railway, while Tsinan, Chefoo and Tsingtao are the vital nerve centers. As long as the Japanese control and operate these railways they are in a sense the real masters of the province, and this control has become increasingly real and effective with the passing months. In the summer of 1938 the writer was warned that, if he wanted to go to Tsinan, he had better go soon because the Chinese guerrillas, while the kaoliang was high, would burn all the bridges, remove the rails and level the entire road-bed from Tsangkuo, a suburb of Tsingtao, to Huangtai, the East station of Tsinan. The guerrillas did in fact "raise hell' along the railway lines; on 3 trips out of 4 the writer was delayed by guerrilla operations; a German Catholic missionary on his way to Tsingtao had to remain a whole week at a small station because the guerrillas kept tearing up the track as rapidly as the Japanese repaired it. The summer of 1939 tells a different story. The breaks and delays caused by guerrillas have been practically eliminated between Tsinan and Tsingtao and between Tsinan and Tientsin. South of Tsinan, however, the Tientsin-Pukow line is still frequently cut, although there is now a through train from Pukow to Peking.

The Japanese have dug themselves in on these railway lines not so much by their military operations as by their frightful reprisals against the villages adjacent to the destroyed stretches of track. Some months ago the Japanese military authorities announced that in all villages where guerrillas were found the men between the ages of 12 and 40 would be shot, Since then there have come into being a "Volunteer Anti-Communist Corps" composed of villagers who co-operate with the Japanese by reporting the presence or the approach of guerrillas. Each village is suposed to contribute 4 men to this corps or a certain amount of money in lieu of men. All villages entering this arrangement are safe from reprisals on the part of the Japanese. On a certain section of the Kiao-Chi line the "Red Spears," a self-protection military organization, have a little hut every several hundred yards; each hut usually has 2 watchers, often mere boys, who stand to attention beside their spears with red penants and salute as the trains speed by.

In the efforts at securing economic control in Shantung the Japanese are not so successful as in the matter of railway transportation. It is well known that the Japanese hope to make the province a great cotton-producing area. There is maintained in Tsinan an office of "The North China Cotton Improvement Association" which aims to stimulate the production of cotton. Instead of producing more the Chinese, for various reasons, are acutally growing less than in former years with the result that the Japanese are securing very little cotton. They seem, however, to be somewhat more successful in securing supplies of wheat, the production of which is much more widely distributed. So far, however, the Japanese have not been able to make Shantung a store-room for the raw materials they desire.

On the other hand, in the cities at least, they have been able to flood the markets with Japanese goods of

all sorts. In the early days of the occupation many of these goods were brought along together with military supplies without paying custom duties or transportation charges. That is no longer true. However, in the cities of any size they virtually force the Chinese shop-keepers to carry a certain amount of Japanese goods. As compared with European and American goods of the same kind the Japanese articles are surprisingly cheap. Even many Westerners buy Japanese tinned goods, such as salmon, oysters, clams, pineapples, asparagus, mandarin oranges, strawberry jam, etc. The "Open Door" is wide open for Japanese goods. The Tsingtao harbor offers a good illustration of how the door is kept open for things the Japanese want to ship into the interior. Foreign vessels were finally grudgingly allowed to berth at one pier, and one only, while the freight designated for such vessels has to lie in the open. On June 16 a P & O freighter was at this pier; a German freighter, having arrived 3 days previously, was waiting to berth at this particular pier in order to unload 600 tons of machinery, while another British freighter was taking on 300 tons of peanuts by means of lighters from the small navy pier outside of the harbor. At the same time, however, there were more than enough empty piers to accommodate all 3 foreign vessels.

In their greedy efforts at economic penetration the Japanese conceived the idea of using fiat money, their notorious Federal Reserve Bank notes. This seems to have been a colossal blunder, and it has brought "confusion worse confounded" in its wake. At one time, in Tsinan, one could get $1350 in Federal Reserve Bank notes for a $1000 check on Shanghai, or in other words Chinese currency was at a premium of 35%. On June 15 in Tsingtao, the writer got $115 in F. R. B. notes for a $100-check on Shanghai; and had he been sufficiently informed he could have secured $120 for the same check. Instead of being tied to the Japanese *yen*, as we were told, these notes seem to be tied to the Chinese *dollar*, for in recent weeks the two have been sliding down hill together. So fearful have the Japanese become of their own "bastard" notes that there is a growing tendency on the part of the sons of the Mikado to convert their F.R.B. notes into material things like land, houses, cars, raw materials, etc. These notes, which our grandchildren will probably find in museums, compel one to think of Japan as a whipped nation. Possibly they can undo this almost incredible mistake, but it seems increasingly doubtful.

So busy have the Japanese authorities been with their military transportation and economic problems that they have as yet done little along cultural lines. Of course, there is to be found in any place of any size the ubiquitous "Hsuan Fu Pan", their propaganda machine, but the methods of approach have been so crude and untactful that it is apt to be considered a colossal joke and has often become the most hated of organizations.

The Japanese have shown only a mild interest in education, and as yet they have interfered little with missionary education. Signs, however, are not wanting that, as time goes on, they mean to supervise, if not control, all education and so weed out all "dangerous thoughts." Quite naturally they promote the study of

These pictures supplied by the Japanese *Press Union* service, a branch of *Domei*, indicate the seriousness of the situation in Shantung province. The picture at the top shows a Japanese anti-guerrilla detachment on the march in southern Shantung, where war flared up again last week.

The picture at the right shows a Shantung village being burned by Japanese soldiers in retaliation for the alleged sheltering of guerrillas. Japanese soldiers frequently machine-gun the populations of these villages in their anti-guerrilla expeditions. This picture was also circulated by the Japanese photo service.

the Japanese language, and thousands of Chinese are seizing the opportunity of mastering at least the rudiments of a "useful" foreign language at a minimum of expense.

So far the Japanese have done little to interfere with the Chinese Christian church or with missionary activities, where those responsible for such work have been careful to avoid anti-Japanese activities or propaganda. Where foreign missionaries have talked too much or have seemed zealously pro-Chinese, they have in some cases incurred the wrath of the local Japanese military authorities, who retaliated by imposing various petty restrictions. When Chinese Christians cause the Japanese to suspect that they are in touch with Chinese guerrillas, all the horrors of the German "Gestapo" and the Russian "Ogpu" await them. There are authenticated cases where those thus suspected have disappeared without leaving a trace. Sometimes the suspicions of the Japanese have been aroused by the false charges of Chinese seeking revenge; but so far they do not seem to wish to persecute Christianity as such.

While their educational and religious interests have been more or less negative, or possibly dormant, certain social evils have followed in the wake of the occupation. The brothel and the opium den follow the flag! It must be said, however, that their brothels have made the life and morals of Chinese women much more secure. As in Manchuria so in Shantung the registered opium shop has become a recognized institution in the province. According to the latest available figures there are in Tsinan 156 registered opium shops. The opium business is above board; the police will direct you to an opium shop as readily as to a hotel. In order to secure ocular proof the writer with the help of directions furnished by a Chinese policeman went to a registered shop, having outside of its door a large sign with bright red characters, and bought a minimum quantity of opium. This legalization of opium selling together with high taxes is causing a rapid recrudescence of opium growing. Along the railways one can already see many fields of poppy. The farmers excuse themselves by saying that they must raise some poppies in order to pay their taxes.

Such is the picture of Shantung today; at least, as it appears to the writer. The Chinese, naturally, hope for the return of the Nationalists. On the other hand, as the ugly and brutal features of the Japanese military occupation recede into the background, many Chinese are ready to make the best of it if need be. The Japanese mean to stay in Shantung, and in Hopei as well; of this there is not the slightest doubt. Whatever else they may have to abandon, they will fight to the very last for China's "Sacred Province" with its magnificent port of Tsingtao. China alone may not be able by means of military force to dislodge the Japanese from Shantung, but time and finance seem to favor China. It is possible that these two favorable factors, not to mention third-power intervention, will eventually change the present picture of Shantung.

"Special Undeclared War" Enters Its Third Year

BY ALFRED LUSK

AS the clock strikes four this (Saturday) morning, the Sino-Japanese hostilities—the greatest undeclared war since the World War—entered their third year. At that moment, fighting was raging along a 3,500-mile front and peace seemed more remote than it was in the tense days of July, 1937.

In Tokyo, in a widely distributed pamphlet, military chiefs gloomily admitted that the China war had entered a stalemate and declared that the Japanese Army was prepared to achieve its "mission" in East Asia "even if it takes 50 or 100 years."

Meanwhile, in devastated Chungking, Chinese Government leaders reiterated their will to continue the war of resistance until Japan's economy collapses under the burden of excessive armaments.

The two combatants are admittedly deadlocked and there appears to be no hope of a decision save through cataclysmic developments on another world front. More than ever the China war is assuming major international importance, with strands of interest and blood linking it with power politics in Europe, with the border battles in Manchuria and with the congressional debates in Washington.

The stalemate in China has its roots in a number of factors, the most important of which is the fact that the Japanese Army has reached the physical limit of conquest.

Up to this point, the Nipponese war machine was able, with a few notable exceptions such as Taierhchwang and Lanfeng, to crush Chinese opposition without great difficulty. The immense technical superiority of the Japanese Army over its Chinese foe assured it of victory in every engagement in which it could employ its artillery, tanks and aircraft. This advantage the invading force continued to enjoy until last October, when it battered down Hankow's defenses and captured Canton almost without resistance.

October marked the turning point in the tide of war. The Japanese had reached the outer rim of the area in which technical equipment could be employed. Beyond that rim lay the mountains of Szechwan, Kiangsi, Kweichow, and Kwangsi, in which heavy armament was worse than useless.

The Japanese had thus lost their striking power and mobility—and with these they lost that immensely important military factor—initiative. For the past seven months, the Japanese have been fighting the Chinese on a terrain favoring guerrilla operations and with arms in the use of which the Chinese excel.

⁂

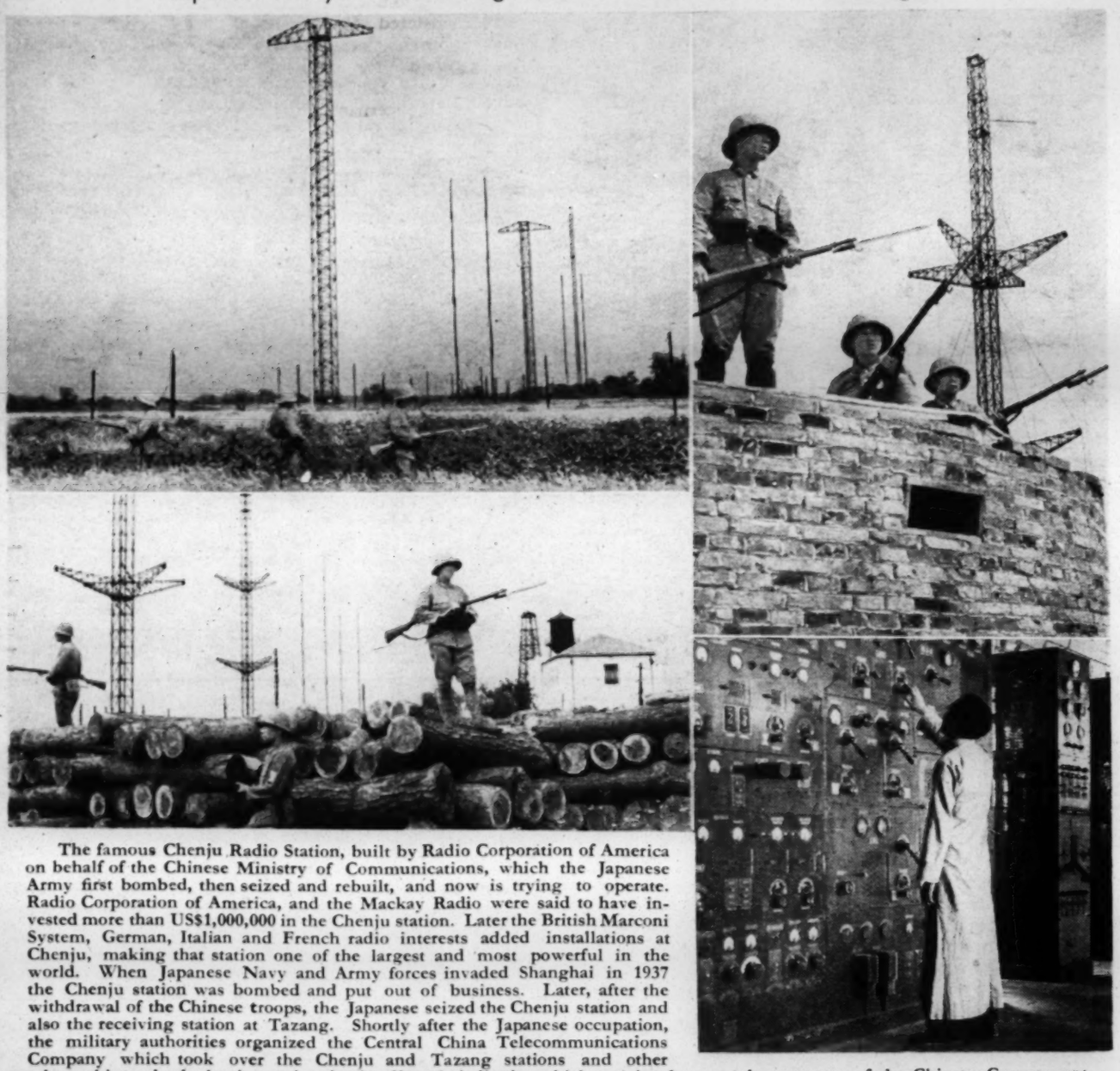
Molded by these factors, Japanese strategy had undergone a striking change. The former strategy of the encirclement of large Chinese bodies of troops—employed with success in the battles of Shanghai and Hsuchow—has been replaced by a strategy of maintaining a steel cordon around the occupied area and preventing the infiltration of the Chinese forces from "Free China."

The main goal of the General Staff in Tokyo today is the establishment of peace in the so-called "occupied areas," thus permitting the commencement of exploitation of China's rich market and natural resources, which alone can enable Japan to bear the overwhelming financial burden of her adventure.

The new strategy is conditioned by three important factors: Japan's ability to mobilize a force sufficiently large for garrisoning the occupied territory; her ability to nullify the time element (which can be translated into financial terms); and, finally, the ability of the Japanese military forces to pacify the populace in the seized areas without the use of force.

Japan's armies in China proper today number in the neighborhood of 1,200,000 men, of whom about 1,000,000 are divided evenly between Central and North China. The remainder are operating in South China, Hainan and Inner Mongolia. This number appears to be barely sufficient to patrol the outer rim of the occupied area, along a straight line linking Peiping with Canton, to guard the main channels of communication and to garrison the more important towns and cities.

Japanese Army Still Guarding a Radio Station Seized Near Shanghai



The famous Chenju Radio Station, built by Radio Corporation of America on behalf of the Chinese Ministry of Communications, which the Japanese Army first bombed, then seized and rebuilt, and now is trying to operate. Radio Corporation of America, and the Mackay Radio were said to have invested more than US$1,000,000 in the Chenju station. Later the British Marconi System, German, Italian and French radio interests added installations at Chenju, making that station one of the largest and most powerful in the world. When Japanese Navy and Army forces invaded Shanghai in 1937 the Chenju station was bombed and put out of business. Later, after the withdrawal of the Chinese troops, the Japanese seized the Chenju station and also the receiving station at Tazang. Shortly after the Japanese occupation, the military authorities organized the Central China Telecommunications Company which took over the Chenju and Tazang stations and other telegraphic and telephonic services in the Shanghai district which perviously were the property of the Chinese Government. The Japanese company is now operating these services under the orders of the Japanese Army and recently announced that direct radio connections had been established with Berlin and Rome. The fact that the Japanese have to guard the station night and day constitutes proof of the guerrilla menace, even though the station is only 10 miles from the International Settlement. The receiving station at Tazang recently was destroyed by guerrillas, after the Japanese had completed their repairs.

This strength is entirely inadequate to carry out Tokyo's new plan, for the latter involves large scale operations against roughly 1,000,000 Chinese regulars and guerrillas fighting within the occupied territory. The inadequacy of the force will become even more serious as soon as the Chinese armies in "Free China" accumulate sufficient striking power for offensive operations against the outer rim of the seized area.

There is no doubt that Japan can, if she has to, dispatch an additional million or two soldiers to this country. It is, however, doubtful if her lean coffers would permit the maintenance of such a force under arms and bear the cost of renewed major operations in the territory which the Japanese people mistakenly regard as already conquered.

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But if Japan may find it costly to dispatch fresh troops to China, she is already discovering that hesitation is equally expensive. Unable to ensure complete control of the invaded territory with the forces at present here, the Tokyo General Staff is hopelessly drifting along in the hope that one or another of the political schemes hatched out by its master-plotters in Peiping and Shanghai will ensure the collapse of Chinese resistance.

Thus the Japanese Army is wasting time, which is as serious an enemy to the Tokyo Treasury as the Chinese troops. This is not to say that time is working for the Chinese—under the current circumstances, China's fate hinges on the race between Japan's economic exhaustion and war-weariness in the "occupied" provinces. The National Government in Chungking must very soon take into its hands the military initiative lost by the Japanese if it is to prevent this lethargy from assuming dangerous proportions. Thus, although for different reasons, time is an equally dangerous foe for both Japan and China.

The time element in the Japanese scheme of things rests upon the invaders' ability to clear the countryside

of guerrillas, to weed out patriotic elements, and to gain passive co-operation of the masses. Another very important factor in this scheme is Japanese success in establishing puppet regimes which would ease the friction between the Chinese and the alien invaders and combat the administrative machinery loyal to Chungking.

The net results achieved by the Japanese Army's Special Service Sections and their so-called "Pacification Squads" in the past two years have been these:

Puppet regimes have been established in Suiyuan City (The so-called 'Mengkiang Autonomous Republic' headed by Prince Teh), in Peiping (the so-called 'Provisional Government,' headed by Wang Keh-min) and in Nanking (the so-called 'Reformed Government,' headed by Liang Hung-chih). In addition, major regional puppet administrations have been set up in Taiyuan, Tsinan, Kaifeng, Hankow and Canton. The Kaifeng post was originally intended for Marshal Wu Pei-fu and the regime, it is believed, was to become the nucleus of a central puppet government. Marshal Wu's refusal to accept the post despite enormous pressure exerted by the Japanese Army and the use of such methods as the publication of fabricated statements purporting to enamate from the aged politician, for the time being spiked the plan.

In addition to these regimes, smaller administrative units have been established by the Japanese Army in all the towns under military occupation, as well as along the Japanese-controlled railways, rivers and highways. Drafted for service in these local governmental units—because of the wholesale withdrawal of the landed and commercial gentry—were local riff-raff. In Nanking, I am told, the first head of the so-called "Peace Maintenance Commission" was "Sammy the Auctioneer," an old man who prior to the war worked as a small-time middleman in an auction hall. In a major Shansi town, the first "mayor" was a frightened butcher's helper, picked off the street by a smart Japanese Special Serviceman.

These petty officials enjoy a profitable but a very precarious tenure of office. In Soochow, the gang put in power by the Japanese quickly seized control of the drug and brothel trade, sharing the spoils with their Japanese military backers. Such officials however, live in constant fear of their lives, as was demonstrated on hundreds of occasions throughout the occupied provinces. Wang Keh-min barely escaped with his life early last year, when a group of men fired at his car near the gates of his closely guarded Peiping home. "Mayor" Fu Siao-en, of Shanghai, had a similarly narrow escape. The leading figures of the Nanking regime were fortunate to survive a poison plot, which claimed the lives of two Japanese Embassy counsellors, last month. It still remains to be proved that Chen Chin-tao, "Governor" of the puppet Hwa Hsing Bank, who died a couple of days later in Hongkew, was not one of the victims of the mass poisoning.

In a statement denouncing the Shanghai International Settlement authorities for their alleged failure to protect the lives of puppet officials, the Nanking regime admitted that about 100 of its officials have been killed by patriots in Central China. Those killed in Shanghai included such politically valuable men to Japan as Foreign Minister Chen Lu and Marquis Li.

The failure of such capable wire-pullers as Lieutenant-Generals Doihara and Kita and Major-Gen. Harada to win over men enjoying general respect and following was, of course, of the utmost importance to the future course of events in China. There are, at present, rumors that Wang Ching-wei, the deposed deputy-leader of the Kuomintang is to be installed as the head of a Japanese-created "federal government" in Hankow. The press in Japan has been seeking to create the impression that Wang's break with Chungking meant the collapse of Chinese resistance. It is clear, however, that this is not the case and that Wang today does not command even a fraction of the popularity he enjoyed 15 years ago.

As long as the Japanese Army remains incapable of organizing a well-controlled governmental web covering every part of the "occupied" territory, it will have to continue the present system of governing by military decree and bayonet. Such a form of administration carries within itself seeds of disaffection, which prevent the re-establishment of peace Japan craves so much.

The war thus far has proved that the Japanese are good fighters but very poor colonizers. Their war machine has within two years overrun an area two-and-a-half times the size of Japan proper. With the Japanese flag fluttering over a large part of China, the Army then proceeded to prove that those who are trained in the use of force know no other solution for any problem. Anxious to win the co-operation of the general masses, the Japanese proceeded either to terrorize them or to make futile attempts to win them over with childlike devices.

Typical of these methods was the scattering of leaflets urging the peaceful populace to join Japan in creating a paradise in East Asia—by the airplanes which bombed Chungking. Equally naive was the distribution of handbills in the vicinity of a Shantung town cajoling the refugees to their homes with the generous offer of tickets to a Japanese movie and a Chinese brothel.

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Loyalty and patriotism in the sense in which they are known in the Occident have not yet gained firm roots in China. There is, however, an understandable revulsion to alien military rule which is being constantly fanned by Japanese frightfulness and total disregard of Chinese sensibilities. Meanwhile, the guerrillas (especially the Eighth Route Army) and Chinese youths are doing some extremely valuable work in building up patriotism by well-conducted propaganda and administrative work.

As the result, the psychological reaction to war in the two countries is this: in Japan, there is a clearly-defined weariness and fear that the hostilities in China will continue indefinitely; in China, there is a rapidly growing confidence, which paradoxically gains strength with every Japanese thrust deeper into Chinese territory.

While confident of eventual victory, both the combatants do not know how or when it will be gained. Tokyo originally expected to win the war by a three-month demonstration of armed might in North China. With the extension of the hostilities to the Shanghai area, the deadline for peace was extended to the capture of Nanking, Hsuchow and Hankow. Now there is practically no new land to conquer and the Army is steeling the populace with ominous appeals to be prepared for fighting another decade, or even a century.

It appears as if Tokyo's main hope today is in a political miracle, such as a decisive split within the Chinese Government. China is equally uncertain of the manner in which she will achieve victory, save a boundless confidence that Japan cannot survive a protracted war. Few Chinese leaders believe that China could defeat the Japanese war machine on the field of battle, despite the steady improvement in the fighting quality of the Chinese Army. Yet, there is a growing conviction that Japan has lost the war.

To neutral observers, the situation in China appears as follows: there is a stalemate which cannot be broken except by events occurring without the realm of Sino-Japanese relations. A war in Europe or a Russo-Japanese clash would radically alter the situation in China, either dealing China a serious blow in the form of suspended aid in money and arms or compelling Japan to withdraw her troops to a few major bases (Shanghai, Hankow, Canton, Peiping, Tsingtao), leaving the remainder of the occupied territory to the Chinese.

The stalemate is featured by a steady deterioration of economic conditions in Japan, where a complete regimentation of the nation's economy is a matter of months, and an equally steady improvement in morale and fighting power in China. The current hostilities in this country seem to indicate that, under the given geographical conditions, an agricultural economy withstands the shock of war much better than an industrial one. In this lies China's main hope.

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It is still too early to estimate the costs of the Nippon-made war in terms of human lives, property and various intangible values.

China's main loss was the major retardation of the progress which she had been showing prior to July, 1937. It will now take many decades after the hostilities are terminated to heal the wounds inflicted upon China by the invasion. Another important item on the debit side of the war ledger is the unprecedented migration of 50,000,000 people from their homes and land to the inhospitable refuge of provinces often a thousand miles away. Equally important are the cruel blows dealt to cultural values—the destruction of universities, schools, and libraries, the dispersal of students and educators, the transfer of energy and funds from cultural work into military channels, etc.

Human losses in China have been equally terrifying. It is, of course, impossible to tabulate them correctly, but one is tempted to place the number of Chinese military dead at 1,000,000, with probably twice that number wounded. The medical work in the Chinese Army has been so deplorably defective, especially in the early stages of the war, that one in every three—if not two—wounded, died of haemmorhage or infection. Chinese civilian losses as the direct result of war could be roughly put at 500,000, with probably many times that number dead as the result of malnutrition, floods and kindred causes.

Chinese economic losses are equally unsusceptible of statistical measurement. In Chapei alone, the value of property destroyed by the Japanese bombardment and the great fire which accompanied the withdrawal of Chinese troops was estimated at between $800,000,000 and $1,500,000,000. This figure would have to be multiplied over and over again to include the damage inflicted on Canton, Changsha, Nanchang, Hsuchow, Kaifeng, Hankow, Kiukiang, Nanking and numberless other cities, towns and hamlets throughout this vast and unhappy land. Immense damage is being inflicted on "Free" China daily by the hundreds of Japanese Army and naval aircraft engaged in a campaign of large-scale terrorism, in the hope of breaking Chinese will to resist. Equally terrible are the losses borne by the nation as the result of the Government's "scorched earth" policy, whose goal is to destroy all that may be put by the foe to his advantage. All these figures add up to a truly astronomical total.

Because the war was fought on Chinese soil, Japan's losses were naturally much lighter. Nippon's casualties have been variously estimated at between 700,000 and 870,000, of whom between 200,000 and 250,000 were believed to have died.

Japan's major economic costs of the war were in the form of direct military expenditures (which up to today total Yen 12,000,000,000, or 75 per cent of the nation's entire pre-war income) and complete dislocation of the country's economy. As the result of the shifting of all available capital into the war industries, Japan's once-thriving export industries have been dealt a deadly blow, from which they will not recover for many years.

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Curiously, it is in devastated China where war has brought with it great economic blessings. In Japan, there is today a concentration of capital and labor in non-productive enterprises, which will close down as soon as the war is ended. In China, there is a large-scale building of light industries in the Far West, where before the war there was nothing but wilderness. The opening up of the western and southwestern provinces has in it all the elements of the United States' westward movement of last century. There is the same pioneering spirit, the same transformation of little border villages into booming towns, the same gradual pushing of the frontier farther west.

New mills are springing up by the hundred throughout "Free" China, new highways and railways are opening up areas which only yesterday were inaccessible, new millions of population are pouring into the west from the war-ravaged territory.

The growing of the west is of inestimable importance to China's war of resistance, for it provides a solid economic foundation for continued fighting. Protected from the Japanese tide by tall mountains, "Free" China is rapidly becoming the rearing place of new armies and a huge arsenal which will supply China's fighting men with small arms. There are already innumerable small plants in Yunnan, Kwangsi and Szechwan which produce large quantities of rifles, machine-guns and trench-mortars together with ammunition. A British newspaperman was shown small arms of excellent quality produced in pocket-size arsenals in Shansi. Somewhere beyond Kunming, there is rising today a complex munitions combine, which is to get its raw materials from "Free" China and its machinery from abroad *via* the new Burma road.

Transported a thousand miles over difficult roads and under the constant threat of Japanese aerial attacks, dismantled Shanghai, Nanking and Hankow foundries, machine-shops and textile mills are now being put into operation in the Far West. Almost in the shadow of Chungking, there are iron and steel mills with electric furnaces and China-made cranes. The huge Yu Fong textile mill, moved bodily from Honan, is gradually resuming operations on a new site, in Szechwan mountains. What has been salvaged of the Government's ambitious pre-war industrial undertakings is now being put into workable shape in the northwest, often under foreign supervision, more frequently under the direction of American and European returned students.

It is significant that every Chinese official statement refers to two things in the same breath—war of resistance and economic building up of the West. What the Chinese are bringing up today in "Free" China is not only a war industry (which, incidentally, is expected to produce half a billion rounds of ammunition a year) but also the nucleus of a prosperous industrial center of tomorrow.

There is a similar boom in Japan, but every *sen* is being drained out of the national treasury and the industries producing consumption goods to be poured into the munitions industry. While the heads of the super-trusts—the Mitsuis, the Sumotomos, the Iwasakis and the Fujitas—are reporting record income, a pall of gloom is descending upon the general masses, whose income fails to keep up with the unending soaring of the price index.

The populace is being exhorted to save Yen 10,000,000,000 this year, to enable the Government to unload its war bonds on the savings banks. Butter, eggs and milk are to be rationed. Labor is to be conscripted for service in the munitions industry at the end of this month. The males withdrawn from the so-called peace industries are to be replaced by women, who, incidentally, receive only a fraction of men's wages. There is a distressing rise in the employment of child labor. The quality of goods is rapidly deteriorating, mainly as the result of the compulsory utilization of unusable staple fiber and

other substitutes. Taxes are soaring—especially those on daily necessities.

To drum up patriotism, which is slowly sagging under the weight of economic distress and war-weariness, the Army and the Government are daily creating new "spiritual mobilization" campaigns, whose main achievements thus far have been growing xenophobia and attacks on bobbed hair and neon lights.

As the first two years of the war in China draw to a close, the Japanese find themselves with another miniature war raging on the Manchurian-Mongolian border and a major controversy with Britain. Few Japanese officials attempt to hide the fact that the dispute with Britain was deliberately provoked by the Army for ends which can only be surmised. The Japanese Army's responsibility for the outbreak of fighting in Manchuria seems to be equally clear. Hopelessly involved in China, the Japanese military are inviting trouble with other powers to prevent a popular demand for accounting. And the major question before the world today is this—how far will the Japanese Army go to maintain its control of Japanese national life. Will the Army provoke a new major war with a third power or will it manage to preserve constant tension without being involved in another war? Time alone will answer this important query.

House Continues Neutrality, and Muddles Foreign Policy

THE U. S. House of Representatives, by vote of 200 to 188, taken late on the evening of Friday, June 30, following an extended debate, defeated the attempt of President Roosevelt and Secretary of State Cordell Hull to eliminate the arms embargo from the Neutrality Law. The new measure, designed to replace the present Neutrality Law, was introduced by Representative Sol Bloom of New York. As drafted, it eliminated the arms embargo provision in the old law and was intended to open the way for the unlimited sale of arms, munitions and war materials to Britain and France in the event of an outbreak of war between those nations and the totalitarian powers.

Complete text of the measure which passed the House of Representatives by the narrow margin of 12 votes has not yet been received in Shanghai, but summaries supplied by *United Press*, *Havas* and other services indicate that the question of American policy in the event of a general war has been further muddled. Under the old Neutrality Law:

> Section 1 (2) prohibits upon proclamation by the President the shipment of arms, ammunition, and implements of war, directly or indirectly to belligerent countries. Shipments of these commodities to countries engaged in civil strife is also prohibited if the President shall find that the civil strife is of such magnitude or is being conducted under such conditions as to make the action desirable in the interest of peace in the United States.

Under the new embargo clause (*United Press*) the United States must ban the sale of arms and munition to belligerents once the President and Congress declare that a state of war exists between the countries involved.

But the situation is not as clear as the statement indicates, because a qualifying amendment, introduced by Republican congressmen, while retaining the embargo clauses on arms and munitions to belligerents, permits the same nations to purchase airplanes in the United States. This particular amendment was adopted by a vote of 214 to 173.

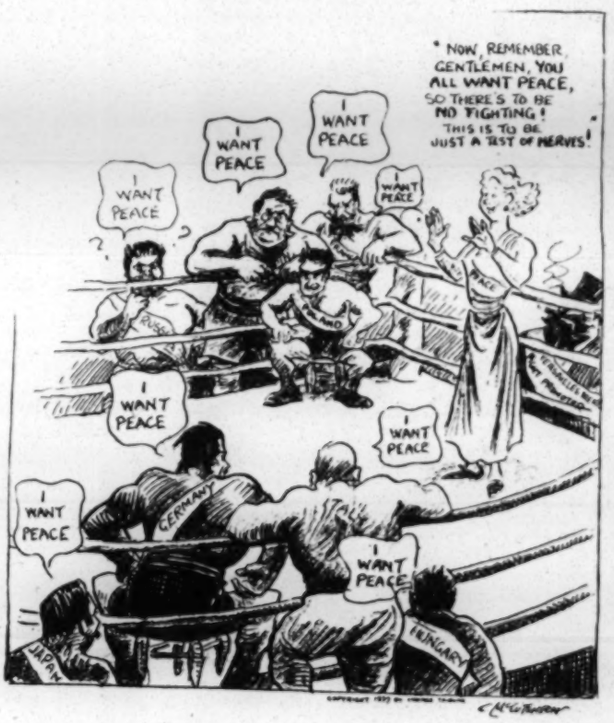
A more extended report by the French *Havas* service from Washington on July 1 gave further details of the measure as finally passed by the House of Representatives. According to this report, the main difference in the new Act compared to the former one is the insertion of a clause specifying that "war implements" exports to belligerents are not to be included in the embargo. This means, briefly, that while arms and munitions are to be placed on the embargo list, it will still be possible to sell to the belligerents such articles as motor cars, airplanes and other items which are not considered as war weapons. The former Neutrality Act banned these items along with actual arms and munitions.

When the amendment, introduced by the Republican John M. Vorys of Ohio, to retain the arms embargo clause, received a test vote, the members were surprised to find that the Administration forces had been defeated by only two ballots, the vote being 159 in favor of the amendment to 157 against. The later exclusion of motor cars, airplanes and other materials, apparently was responsible for the majority of 12 which the Act, including the embargo amendment, received. The fact that the Administration had been defeated by such a narrow margin led to much bitterness because as the debate developed, it became a partisan issue with disgruntled Democrats voting with a solid Republican set-up to defeat a measure of major importance in the field of the country's foreign relations which the Administration considered necessary in order to enable the United States to work for world peace.

While this action was taking place in the House of Representatives, the Senate was engaged in embarassing the President in another direction, eliminating his control over the country's finances.

Other features of the Neutrality Act, as passed by the House, specify that American citizens, traveling in belligerent ships, will do so at their own risk. In the event of an outbreak of war, the President must issue a proclamation to that effect, "as soon as the President or Congress, ascertains the existence of a state of war between foreign nations." In the previous law, the matter of issuing a proclamation signifying the existence of a state of war, was left to the discretion of the President.

All Want Peace, But ?



Chicago Tribune

Under the measure as passed by the House of Representatives, upon publication of a proclamation designating a state of war, no American citizen would be allowed:

1—To sell any arms or ammunition excepting "war implements" to any of the belligerents, "unless the transfer of the property of the said goods to a non-American has been effected."
2—To grant the belligerents loans or credits, except ordinary short-term credits not exceeding a term of 90 days.
3—To collect funds in favor of any of the belligerents.
4—The President will be empowered to close the entry of all American harbors or territorial waters to the navies or armed merchantmen of the belligerents.

A summary of the Bloom Neutrality Bill which was circulated to local newspapers by the Greman *Transocean* service, expressed the view that the new measure constituted an important modification of the original Neutrality Act due to the fact that the new embargo regulations would not apply to war materials, but only to "deadly weapons." Another important change, according to the German report, is that the new measure will permit the transport of arms aboard American ships and will also permit the arming of American ships, while authorizing the President to forbid foreign warships, submarines and armed merchantmen to enter American territorial waters.

Following the issuance of a proclamation by the President, an automatic embargo on "deadly weapons" would be enforced alike on belligerents. After the proclamation of a state of war had been declared, the export of foodstuffs to belligerents would not be allowed "when Americans were the legal owners of the foodstuffs in question."

Aside from an embargo on loans, the new measure, according to *Transocean*, "forbids money collections in the United States for belligerents." It was not stated whether this referred to the raising of relief funds.

The German report also stated that the Senate isolationist bloc had announced its intention to use all means at its disposal to prevent passage of the Bloom Bill.

An attempt to make the Neutrality measure apply to South American countries which cooperated with non-American nations in a war, was defeated, hence the Act as passed by the House does not apply to South American nations.

All reports from Washington indicated that the passage of the amendment, continuing the arms embargo to all belligerents, which was introduced by a Republican and received the solid support of the Republicans, constituted a serious setback for the President as it emphasized the serious split in the ranks of the Democrats who refused to follow the President and Secretary of State in their attempt to formulate foreign policies to cope with the present world situation. It was indicated in the news reports that the Administration leaders were surprised at the number of Democrats who deserted the President and went over to the Republican side in the final vote. According to the *Havas* report the debate, which was accompanied by the introduction of innumerable amendments "showed that many Democrats had either forgotten or else failed to understand, the explanation of the Secretary of State, that it was impossible to distinguish between true armaments and materials that might be used in warfare."

The *Havas* correspondent in Washington commented, "all this procedure, extending into the late afternoon, did nothing but obscure the problem of neutrality revision, which was the chief motive behind the Administration's efforts, the object being to facilitate the supply of arms and munitions to the peace-loving states of the world."

A later *Havas* report from Washington on July 3 indicated that both President Roosevelt and Secretary Hull intended to continue the fight for a revision of the Neutrality Law. However, it was indicated that opposition in the Senate would lead to an extended fight which might prevent the adjournment of Congress by the middle of July as originally planned. Senate opposition to revision of the Neutrality Act has been so pronounced that the Administration had hoped to obtain favorable action in the House and thus bring the Senate into line. However, the House vote will make that much more difficult now. What the administration leaders fear is that the House action will encourage the Axis powers —Japan, Germany and Italy—to continue their aggressive tactics secure in the feeling that the United States will do nothing to help the so-called Democratic states.

That the action of the House of Representatives created consternation abroad was indicated in press reports from Great Britain, France and Nationalist China at Chungking. A spokesman of the National Government at Chungking declared that the action of the House of Representatives, which was inspired by isolationists, "was preparing the United States for the position of a second-rate power." The spokesman of the Chinese Government declared the final enactment of the Neutrality measure "would inevitably hamper those nations which the United States considers friendly and which the great majority of the Americans would wish to support in the event of war with the totalitarian powers . . the provision to permit sale of airplanes to belligerents . . . was also contrary to policy laid down by Secretary Hull when he requested manufacturers not to sell planes to Japan". In conclusion the spokesman declared that enactment of the House Bill would "put the lie" to President Roosevelt's recent peace efforts in which he indicated that the United States would help Britain and France in the event of war.

Similar, but more restrained comment appeared in the newspapers of Great Britain and France.

ANTI-JAPANESE SENTIMENT GROWS IN U.S.A.

American intervention in the Far Eastern crisis would now receive the support of more than half the population of the country, according to a recent poll of public sentiment on the subject as reported by *Havas* from New York on July 3. The poll was made by the Institute of Public Opinion and indicated a complete shift of public sentiment on the Sino-Japanese issue since September, 1937. At that time 2 percent favored Japan and 47 percent favored China. Today, Japan still retains the 2 percent, but China's supporters have increased to 74 percent of the entire population. The great increase in the number of China's supporters has come from the masses who in 1937 expressed themselves as favoring neither side.

With reference to the anti-Japanese boycott, while 34 percent of the people favored it in 1937, that percentage has been increased to 66 percent today.

Another question of vast significance in the Far Eastern crisis was, "Do you think the United States should forbid shipment of arms or ammunition from this country to Japan?"

The answer was 72 percent favoring an embargo on the shipment of arms and munitions to Japan, with 28 percent opposed. The same question with respect to China drew 40 percent affirmation and 60 percent in the negative.

Of interest in connection with the question of arms shipments to Japan, was the action of a number of outstanding American women headed by Miss Mary Woolley, President Emeritus of Mt. Holyoke College, who petitioned Congress on June 30 to place an embargo on the sale of war supplies to Japan. Most of the women signing the petition were outstanding educators.

Japan is now importing 54.4 percent of her 13 major war commodities, including 90 percent of her petroleum requirements, from the United States according to a statement by Dr. George H.Blakeslee before the Institute of International Relations at Wellesley College, on June 28. He stated that the outcome of the conflict in the Far East depended largely on the attitude of Britain, Russia, France and the United States.

A report from Chungking on June 29 stated that a second shipment of more than 500 American trucks had arrived in the Far East—presumably at Rangoon. The first shipment, delivered last month, included 1,000 trucks. The trucks were of Ford, Dodge and General Motors makes and included large quantities of equipment and spare parts. It would require approximately two years to deliver all of the supplies recently purchased by the Chinese Government in the United States, according to the report.

A further significant report on conditions in Japan was issued by Secretary of Commerce, Harry Hopkins, at Washington on July 2, to the effect that shortage of skilled labor and inadequate materials had caused an unprecedented demand in Japan for foreign industrial machinery to provide military requirements for its present and future military campaigns in China (and Russia?). Mr. Hopkins said that Japan's efforts to obtain industrial machinery indicated a desire to expand the country's national industry, the military clique desiring national self-sufficiency. Japanese manufacturers had heretofore been unable to supply adequate tools for the manufacture of automobiles, airplanes, rayon and pulp factories and for mines, stated Mr. Hopkins.

The report alleged that a prominent Japanese businessman "had promised Secretary of State Cordell Hull that he would use his influence with the Japanese Government to urge it to accept American mediation in the Sino-Japanese struggle, if the United States would make an effort to obtain approval for American loans to Japanese business firms." This report apparently had been responsible for a widespread rumor that the Japanese Government had sought American mediation, in exchange for U. S. financial credits.

Dr. Kurt Bloch, expert connected with the Institute of Pacific Relations, stated in the course of a speech at the Institute of Public Relations at the University of Virginia that "it appeared likely that China would win the war . . . and even if Japan won, she would lose in peace because Europe would be able to dictate its own terms for loans and credits."

Dr. Bloch predicted that the British Empire, the United States and the Philippines "would cooperate in the building of a new, progressive Far East."

ROOSEVELT SEES OUMANSKY

M. Constantine A. Oumansky, Soviet Ambassador to the United States, held a conference with President Roosevelt prior to Mr. Oumansky's departure for Moscow on vacation on Wednesday of this week. Since it was the Soviet Ambassador's first long talk with the President since the presentation of his credentials, it aroused considerable international interest, particularly in view of the present crisis in the Far East and negotiations now taking place between Britain-France and Russia for a military pact. Political observers stated that the talks were of a general political and international nature, similar to a previous conversation between Mr. Oumansky and Secretary Hull. One report stated that the Soviet Ambassador was particularly interested in obtaining American reactions to recent developments in Europe and the Orient; that he desired to take back to Moscow the intimate and first-hand views of the United States.

Hide and Seek with Guerrillas in Shantung

ELSEWHERE in this issue of *The Review* there appears an article dealing with conditions in Shantung which was written by a former foreign resident of the province. Since the article was written the Japanese *Domei* service issued the following message which adds emphasis to the account of the desperate struggle now taking place in the province between the Japanese Army and the Chinese forces:

Kaifeng, July 4—(*Domei*—Expecting a stiff battle with 2,000 Chinese troops concentrated in the city, Japanese detachments surrounded Tasochow, in southwestern Shantung Province, had launched a vigorous assault yesterday morning, *but were surprised to find that the foe had evacuated the night before.* The town was captured with scarcely any fighting, at 8 o'clock yesterday morning.

Occupation of the town was expected to deal a hard blow to Chinese forces in Shantung as the region is well supplied with food and provisions. The town was used as a supply distribution base for Chinese from Honan Province—*Domei*.

Europe Still Technically at Peace, But New Crisis Approaches as Danzig Problem Nears Showdown

IF Europe is still technically at peace—and it is—the fact can hardly be credited to the good intentions of those in control of the destinies of the Old Continent. The statesmen of all the leading countries declare that they were never more ready for war than they are today. Yet war has not broken out—yet. There is an unseen restraining hand somewhere. Can it be the fear of revolution?

Speaking of Special Days

Kladderadatsch, Berlin

Clemenceau (1919): "I have waited 49 years for this day."
Adolf Hitler (1939): "I have waited 20 years for this day."

The so-called democracies certainly don't want war, for they stand to gain nothing even if they emerge victorious. The dictator states don't want war either for that matter. But they do want drastic alterations in the *status quo*, which places them in the position of "have-not" powers. If Britain and France would hand back Germany's former colonies and give Italy a little more of the same "vital space," war might be averted for a long time. But neither Britain nor France will voluntarily carve up their empires for the benefit of the land-hungry dictators, and so, it seems, the war atmosphere must persist and a show-down must come, however long it may be delayed.

What is happening in Europe now is a jockeying for position in preparation for the big war showdown. By their moves against the small states, Hitler and Mussolini have been improving their strategic positions. They have already accomplished much along these lines. The "democracies" are working might and main to prevent any further relative growth in the strategic advantages of the totalitarian states. It can be left to pious moralists to discover idealism on either side in this sorry, sordid mess. The "democracy versus dictatorship" line-up resembles nothing so much as two sets of rival gangsters. One of the gangs has been held up, hijacked and relieved of a precious cargo of profit in the shape of colonial possessions and, having found new weapons, is seeking to recover from the hijackers. But the democratic hijackers are armed, too, and so the guns are bound to blaze some time.

DANZIG flared into headlines again last week-end with rumors that Hitler was about to seize the Free City. The expected coup failed to come off and Berlin indignantly denied that any seizure had been planned. There was, however, quite a bit of evidence to show that a coup was actually in contemplation. Prime Minister Chamberlain told the House of Commons on Monday of this week that large and increasing numbers of German nationals had been arriving in Danzig as "tourists," while a defense organization known as the Heimwehr had been set up there. Press dispatches confirmed these reports, and additionally disclosed that large-scale military preparations, including the erection of fortifications, were going forward in the Free City.

If, indeed, a coup was planned it may be assumed that Hitler held his hand when Prime Minister Chamberlain and his Foreign Secretary, Lord Halifax, intimated in the clearest terms that Britain would make war on Germany if an attempt were made to seize Danzig. This has not settled the problem, for the Nazis have not by any means abandoned their Danzig aims. The problem of the future of the Free City, forcibly severed from Germany after the World War despite its predominantly German character, will continue to plague Europe and may be the scene of the initial explosion which will ignite the powder keg of another world war.

There is reason to believe that at least some of the democratic statesmen would like to see Danzig returned peacefully to the Reich as the best solution of an irritating problem. Poland stands in the way of such a settlement. Danzig, according to their reasoning, is just as vital to Poland (apart from the neighboring port of Gdynia it is the country's one outlet to the sea) as Ireland is to Britain. And so, if Poland should go to war in defense of Danzig, the democracies could hardly stand aside and allow Hitler an easy vicotry.

The German population of Danzig is being suitably primed with Nazi propaganda in preparation for a

Keeping Everybody Awake

showdown which is generally regarded as inevitable. Albert Forster, Nazi leader in the Free City, asserted on July 2 that the Danzig population had decided to return to the Reich and that they were determined to return, regardless of any sacrifice in blood and property they might have to make in order to attain that end.

Meanwhile, the Reich government has informed Poland that the German cruiser *Koenigsberg* will visit the port of Danzig on August 25 and will remain there for three days and it is rumored that Hitler will shortly visit the Free City as well. These reports tend to indicate that the showdown will come next month.

The Danzig situation almost forced the Anglo-Soviet negotiations in Moscow off the front pages of the newspapers. Their connection with the Danzig problem, however, is all too apparent. If there is no agreement between Britain and France, on the one hand, and Soviet Russia on the other, Hitler will be able with all the more assurance to "liquidate" the Danzig question. It is not unlikely that he is just waiting for a definite breakdown of the Moscow parleys before taking action.

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IF the latest reports and rumors emanating from Europe's capitals are to be believed, the Moscow talks have struck a new snag. While Britain and France are reportedly prepared to include the Baltic states in the proposed "guarantee system," as demanded by the Soviet Government, they are now said to be insisting on the inclusion of two hitherto unmentioned states—Holland and Switzerland. Moscow is said to contend that their inclusion is out of the question, since neither maintains diplomatic relations with Soviet Russia. This argument is at least as cogent as the earlier British contention that the Baltic states couldn't be guaranteed against their own wishes in the matter. Moscow said that that was immaterial, since if the Baltic states were menaced or attacked Soviet Russia would be in peril. In any case, there would be something distinctly ludicrous about a Soviet defense of states which steadfastly refuse to have anything to do with the Kremlin.

Holland, one of those small states which the big powers try to use as small change in their diplomatic dealings, is understood to have made strong *demarches* in London and Paris against being included in the guarantee system. Holland, which sees security only in the strictest neutrality, has thus followed the line already taken by the Baltic states, which protested just as energetically against being "defended" contrary to their will and before they are attacked.

Britain's China Policy Up for Discussion in Tokyo; Japanese Seek Wide Scope for Parleys

NEGOTIATIONS were due to open in Tokyo this week between representatives of the British and Japanese governments under circumstances which have caused the widest speculation as to the eventual outcome. While on the British side it is said to be understood that the parleys are aimed at reaching an agreement which will bring to an end the Japanese blockade of the British Concession in Tientsin, the Japanese have shown every intention of giving to the negotiations a far wider scope—so wide, in fact, that the whole field of Anglo-Japanese relations is likely to be surveyed. Easily forgotten was Tokyo's previous declaration that the Tientsin affair would be treated as a local issue. Japan is now intent on using the Tientsin blocakde as a bludgeon to force compliance with political demands of far-reaching consequence.

Britain is fully aware that the Japanese are working for a showdown and that they expect to extract substantial political concessions at the Tokyo conference table. The demands of the Tokyo imperialists have, in fact, already been formulated and broadcasted to the world. Is Britain prepared to yield in the expectation that by so doing Japan will cease the intolerable pressure to which British citizens and British interests in China are being subjected? This question cannot be answered in advance. But it is possible to state now, without any beating about the bush, that any concessions which the British may make will be at the immediate expense of China and of no one else. That they would in the long run also injure Britain, not to speak of other foreign powers, is another matter which we need not discuss at this stage.

Major G. A Herbert, British superintending consul in Tientsin, arrived in Tokyo last Sunday to represent Britain in conjunction with Sir Robert L. Craigie, British ambassador to Japan. Japan's delegates from the Tientsin scene are Lieut.-Col. Hirohide Ohta and Major Seiichi Ohta, representing the military authorities. Another Japanese delegate is Counsellor Kato of the Japanese Embassay in Hsinking (Manchukuo). The three will presumably negotiate with the British delegates together with, or under the supervision of, Mr. Hachiro Arita, Japan's Foreign Minister.

Negotiations Open

ON June 30, as arrangements for the Tokyo conference were getting under way, what may be regarded as a highly significant statement appeared in the Paris *Le Matin*, one of the most influential organs in the French capital. The paper demanded a change in France's Far Eastern policy. Explaining the demand, the statement was made that France and Britain have hitherto "sabotaged natural developments in the Far East by their indirect support of the Chiang Kai-shek regime." Since, however, the Kuomintang has practically lost the war with Japan from a military point of view, the French Government should accept the situation and change its policy accordingly, the paper said. Continuing on this theme, the journal declared that France need not be afraid of Japan's claims on China, since China is large enough to provide room also for other nations, and because Japan is prudent enough not to provoke the European nations to a point at which they would

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form a coalition against her.

It would be useless to attempt now to determine the extent to which *Le Matin* expressed the official French viewpoint, or whether the statement was officially inspired with a view to testing out the reactions in China, for whose cause France has hitherto professed friendship. There have been several other statements, from other sources, of equal interest and possibly equal significance which require mention.

A *Reuter* message from Tokyo on July 1 quoted a report in the *Japan Times* as saying that at the recent Singapore defense conference between the commanders-in-chief of the French and British fleets in the Far East the conclusion was reached that a war with Japan must be avoided at all costs, "since it would compel the two nations (Britain and France) to give up totally their interests in the Far East." If this is the conclusion actually arrived at, the statements of *Le Matin* would appear to be much more than merely a trial balloon.

Japan's views on the Tokyo parleys have been made abundantly clear. According to the Tokyo *Nichi-Nichi*, Britain is being "brought before the bar as a disturber of peace and order in Tientsin." If there is to be a settlement of the Tientsin affair, the paper said, Britain will have to observe strict neutrality, not only in her Tientsin concession, but throughout China. "It is incumbent upon Great Britain to abandon her pro-Chiang Kai-shek policy."

A spokesman of the War Ministry in Tokyo declared on July 3 that Japan's aim in the Tientsin parleys would be to end anti-Japanese hostility in the British Concession, which could be realized, however, only if Britain voluntarily abandoned her pro-Chiang Kai-shek attitude and cooperated in the construction of a new order in East Asia. Otherwise, he said, the Japanese Army could see no meaning at all in the Tokyo conversations.

Hikozo Tanaka, senior Japanese consul at Tientsin, told newspapermen on July 1, according to *Domei*, that the Japanese authorities were prepared to blockade the British Concession for two years, and to make the present "regulations" even more stringent—"until or unless Britain forsakes her anti-Japanese, pro-Chiang Kai-shek policy."

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IN a press interview at Hayama, on July 2, Sir Robert L. Craigie, the British amabssador to Japan, was quoted by *Domei* as saying that the Tokyo parleys for a settlement of the Tientsin dispute may develop into a wide-range discussion of fundamental Far Eastern questions. The agenda, he reportedly said, would be "confined to the Tientsin dispute as a matter of principle but other related issues would also possibly be discussed."

On July 1, *Domei* quoted a press message from Hongkong to the effect that the Chinese Government in Chungking was perturbed over the Tokyo parleys, fearing that the negotiations may have far-reaching effects on the Far Eastern situation in general. Official circles in the provisional Chinese capital were said to be keeping a close watch on the attitude of the foreign powers, especially that of Britain, regarding Japan's request for withdrawal of third-power vessels from Wenchow, Foochow and Swatow.

Evidently with a view to entering the Tokyo parleys with the strongest possible hand to play, the blockade of the British Concession in Tientsin was "reinforced" at the beginning of this week and food supplies are becoming more and more scarce. The pretext for this action was the alleged "deliberately insulting" attitude of the British toward the Japanese Army in disseminating "false news on the situation," the reference being to reports of the stripping of British citizens by Japanese sentries.

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ON July 3, the puppet "Provisional Government" in Peiping and the North China command of the Japanese Army issued statements on the Tientsin situation. The puppet statement contained five demands on the authorities of the British and French concessions in Tientsin, while the Army statement "pledged full support" to the demands, which were described as "just and highly appropriate." The puppet demands were:

1. The immediate handing over to the Provisional Government of terrorists and Communist elements now in the Concessions.

2. Cooperation with the Provisional Government's currency policies, by prohibiting the circulation of Nationalist bank notes in the concessions and cooperating with the Provisional Government with regard to the transfer of silver specie.

3. Cooperation with the Provisional Government's control of Chinese banks, native banks, and commercial institutions within the concessions.

4. Control of actions and publications running counter to the policies of the Provisional Government.

5. Acceptance of the above demands and the establishment of joint control agencies for their execution.

A campaign to "enlighten" the Japanese public was scheduled to begin in Tokyo the day the Anglo-Japanese negotiations opened, *Transocean* reported. Members of the Diet and prominent politicians and journalists were to address mass meetings on Anglo-Japanese

Support of the Japanese Army

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relations. The Nationalist newspaper, *Hochi Shimbun*, one of the organizers of the campaign, declared, according to the German agency, that "the great success of Japan in the last two years will be imperilled if Japanese diplomacy makes even the least mistake in the forthcoming Anglo-Japanese negotiations," and urged that the whole Japanese people be informed on Japan's relations with Britain so that the British would find themselves facing a united political front of the Japanese people.

The Osaka Political and Economic Institute, consisting of leading businessmen and industrialists, passed resolutions on July 1, exhorting the Government to seek a "fundamental solution" of the Tientsin question. The resolutions declared that the root cause of the Tientsin trouble was the pro-Chiang Kai-shek policy pursued by the British Government and people, "who feel no concern over lasting peace in East Asia and refuse to acknowledge the new situation in East Asia. The issue involved is so momentous that the success of Japan's military expedition in China depends on a successful settlement of the British Concession question at Tientsin."

Meanwhile a *Domei* report from Peking on July 3 said that "anti-British sentiment in North China, heightened by the Tientsin dispute, flared up in violent outbreaks in central Shansi late last month." British missionaries at Linfen, south of Taiyuan on the Tungpu Railway bisecting Shansi province from north to south, were given traveling permits by the Japanese military authorities there after they had requested authorization to evacuate the mission following an attack on the property on June 30, the agency said, adding that a mob of 50 to 60 Chinese broke into the mission, destroying furniture and other household goods before order was restored. At Hungtung, also in Shansi, the blinds and window panes of the mission were broken on the night of June 26 by a number of Chinese. Three days later, a demonstration was staged outside the mission, when Chinese employees of the missionaries were urged to quit.

Mass demonstrations denouncing British assistance to Gen. Chiang Kai-shek were held at Fengcheng on June 28 and at Lishui on June 29, *Domei* reported, stating that 900 persons took part in the first and 500 in the second meeting.

The correspondent of the Tokyo *Nichi-Nichi* in Tientsin reported on July 1, according to *Domei*, that rumors were afloat to the effect that the British Concession authorities in Tientsin were planning, in concert with British bankers, to transfer $48,000,000 worth of silver specie from the banks in the Concession to Shanghai and Hongkong, and that tension had been heightened by the rumors, which, however, had been denied by the British Consul General, E. G. Jamieson. The silver, *Domei* said, is the specie cover for the note issue of the puppet Federal Reserve Bank, although that institution has never had control or custody of the metal, which belongs to the legal Chinese Government.

The island of Kulangsu, which forms the International Settlement at Amoy, figured in the news again on July 1, when a *Domei* dispatch from Amoy reported the Japanese naval spokesman as announcing a possible increase in the strength of the Japanese bluejacket contingent within the Settlement and a reinforcement of the blockade which has cut Kulangsu off from the mainland, which is still held by Chinese troops.

American Women Also Searched by Japanese at Tientsin

Although unreported by any of the press services or foreign newspapers in Shanghai, it became known here this week that American women in Tientsin had also suffered indignities at the hands of the Japanese Army along with their sisters of British nationality.

Through private letters received here it was learned that two American women, Mrs. L. Michaelson, whose husband is connected with General Motors in Japan, and Mrs. Briggs, whose husband is with Standard-Vacuum Oil Company in Japan, were searched at the barrier. They were on the way to catch a train for Peiping. The principal of the American School, Mrs. Fink, and her 12 year old daughter were searched as they passed the barrier from the Country Club. The child was so badly frightened that it nearly suffered a nervous breakdown. Another American woman, Mrs. Silverberg, was also subjected to search before being permitted to pass the barrier.

American firms at Tientsin have made strong representations to Washington about Japanese interference with their business affairs. Americans residing outside the Concessions have been subjected to delays of many hours and have been subjected to examination and humiliating search. In many cases Chinese employes of American firms were delayed a half day in getting to their offices. Even Japanese clients of American firms have had similar experiences. Merchandise belonging to American firms has been held up at the barricades and restrictions on exchange have practically paralyzed business. The American Chamber of Commerce at Tientsin has asked its members to furnish details of Japanese interference, with the object of bringing same to the attention of the American authorities.

Senate Filibuster Deprives Roosevelt of Monetary Powers

FILIBUSTERING tactics by the Opposition bloc in the U.S. Senate, intent on curbing Presidential powers in matters of monetary and financial policy, led on July 1 to the expiration of the Chief Executive's powers to devalue the dollar and continue purchases of foreign silver at a fixed price above that prevailing in the world market. In the absence of new legislation, the position stands at present as follows:

1. The President's powers to regulate the value of the dollar have expired.

2. The Exchange Stabilization Fund, upon which depends the tripartite monetary accord between the United States, Britain and France, whereby a definite ratio has been maintained between the dollar, the pound sterling and the franc, has no longer any legal existence.

3. There is no longer any fixed price for U.S. purchases of foreign silver. These purchases will henceforth be effected by the U.S. Treasury at world market prices. The provisions of the Silver Act of 1934 remain valid, and the Treasury may still purchase the metal—but at world prices only—in accordance with necessity.

Twenty-four hours before the expiration of the currency regulation powers vested in the President, the House of Representatives in Washington, by a majority of 229 to 160, voted on June 30 to prolong the financial and monetary powers of the Chief Executive, the main features of which are the right to devalue the dollar and to purchase silver abroad.

In voting thus, the House defeated an earlier Senate measure, adopted by that body on June 26, which would have had the effect of repealing the Silver Purchase Act. The new measure also sought to fix the purchase price of domestic silver at 70 cents per ounce, as against 77 cents demanded by the Senate, and to renew Presidential power to maintain the Exchange Equalization Fund.

In the meantime, the Treasury on June 28 cut the price for purchases of foreign silver to 38½ cents per ounce, the move being calculated to keep the United States price at the London level and thereby prevent an influx of bullion into the United States before the expiry of the silver-buying program.

Filibustering tactics by a bloc of Oppositionists in the Senate, Washington dispatches indicated this week, defeated the House measure and deprived the President of powers which he has thus far enjoyed in currency and financial matters, although it was indicated that some sort of compromise might be reached.

Fears that the United States would cease buying foreign silver caused a catastrophic drop in the Mexican peso on June 29, according to a *United Press* dispatch from Mexico City. The peso was quoted at 6.10, the lowest rate since the Mexican revolution, for official and private transactions. Although the Merchants' Association appealed to stores not to raise their prices, the latter nevertheless soared. Railway and airline companies sold tickets to the United States on a U.S. dollar basis. Mexican currency is based on silver, one of the country's chief items of production, and the United States, under the Silver Purchase Act, has been the principal buyer of Mexico's silver output.

The "silver muddle" is baffling London financiers, *Reuter* reported this week. The *Financial News* said it was understandable that the U.S. Senate should have rejected the President's request for renewed powers to buy foreign silver, but declared it "astounding" that the U.S. Treasury should have reacted to the Senate's attack by making successive cuts in its foreign silver buying price, thereby delivering a blow at the world market.

The Treasury action was interpreted as an attempt to appease the "silver bloc" in Congress, for by economizing on purchases of foreign silver it would be possible to justify the higher price for domestic silver which the "silver bloc" has been demanding.

United States purchases of foreign silver during the past several years have served to maintain a market for the white metal. If these purchases are ultimately discontinued, the price is expected by Government circles in Washington to fall below the 1932 level of 25 cents per ounce. New York financial circles, *United Press* reports, are even more pessimistic, predicting a price of 10 cents in the near future.

American Sailors Said Jailed by the Japanese

Two American sailors were reported to have been jailed by the Japanese authorities at Canton on July 2, according to a *Reuter* dispatch which said that the two men had subsequently been bailed out by the American Consulate. They were alleged to have struck a Japanese sentry.

"Chamberlain Must First Buy the License and the Ring"

(*New Republic, N. Y., May 24*)

WE should remember that Russia has no love for the bourgeois "democracies" in and of themselves. They are still the same countries and the same sort of governments that invaded her soil after the Great War and sought to overthrow the Soviets. If in recent years Russia has held out the hand of friendship to England and France, it is because the opposing group of powers seemed an even more pressing danger to the socialist commonwealth. If the Soviet Union fights, she will do so in her own interest and that of socialism, and not for some vague general principle of democracy under capitalism which she can share with England and France. This is all to the good. When nations fight for self-interest, you know where to find them, and they stay put. When they are animated by high and abstract and dubious ideals you can never be sure that tomorrow the ideal will not be gone, and the ally with it.

Soviet Russia has to think of an Eastern as well as a Western front. So far as the next year or two are concerned, she is probably in more peril of attack by Japan than by Germany. Incredible as it may seem to Western minds, this danger in the Far East increases as Japan's war with China encounters greater difficulties. To the Oriental it seems quite reasonable to provoke war with another formidable foe in the midst of an already doubtful struggle. Defeat incurs no loss of "face" if it results from fighting against overwhelming odds. And there might even be some chance of victory for Japan, in case Hitler decided to live up to his promise and launch a simultaneous offensive in the West. The British Tories would cheer him on. Such a conflict would be a difficult one for the USSR, forced to fight on two fronts 6,000 miles apart, with rail communication which, though improved, is still inadequate, and no connecting highways.

In these circumstances it would be of the greatest advantage to Soviet Russia to have a firm military alliance with England and France. Such an alliance might frighten Hitler into keeping the peace, or frighten Mussolini into breaking his alliance with Hitler. If the Fascist powers still insisted on fighting, these three nations together could probably defeat them in a war of attrition which presumably would last for several years. It is absolutely imperative, however, that the Russians should know whether they can count on England and France. The betrayal of Czecho-Slovakia by these two powers was a grim lesson to Moscow. Incidentally, we have the word of the former Czech President, Mr. Benes, that Russia was prepared to live up to her agreement whether or not France had fulfilled the obligations on which it was contingent.

Chamberlain's attitude in recent weeks has been such as to make the Russians distrust him more than ever. It is true that for a few days he talked vigorously of a firm-cemented ring of those opposed to Fascist aggression. The Tory press in London suddenly blossomed out with articles saying that the Russians were not such bad fellows after all and possessed some quite English traits. But then the doubts and hesitations began once more. England tried again to detach Italy from the Axis. She could not, it was explained, tie herself too closely to Russia because the Russians are atheists and England must not alienate the Vatican and the Catholic countries Moreover, Poland and Rumania were represented as wanting only a little Soviet help, not too much. And the haggling and horse-trading began. England wanted the USSR to guarantee the integrity of the border states without in turn receiving any guarantees of her own. The hard-boiled realists of the Kremlin naturally rejected such a plan. The next offer raised the ante a little, pointing out that Russia need not fight unless England and France did so. This proposal also seems to have been rejected. The Russians are still holding out for a firm alliance with England and France or if preferred, with Poland as well.

If they have half the brains we believe, the Russians will continue to cling to this line. They have seen what happened, while England stood by and did nothing, to China, Ethiopia, Austria, Spain, Czecho-Slovakai and Albania. They know that the British Tories hate communism far more than they do fascism; the present overtures from London to Moscow are only made because Hitler stupidly overplays his hand. Given any sort of chance the British would still be his allies as they were before Munich. With a laggard lover, marriage is the only security. Soviet Russia cannot afford to gamble on Chamberlain's intentions. If he really means business—or if public opinion forces him to mean business—he will have to prove it to the Kremlin skeptics. Let him buy the license and the ring.

Stalin and Molotoff

Waen V. M. Molotoff, chairman of the Council of People's Commissars, was given the additional post of Foreign Commissar, replacing the ousted Maxim Litvinoff, this was universally regarded as a sign that Stalin had taken the direction of Soviet foreign policy into has own hands, and that this was one of the preliminaries to a Soviet-Nazi agreement. Molotoff has always been regarded as a pliant tool of the Kremlin dictator.

CHUNGKING PUTS BAN ON IMPORTED GOODS

A total ban on the importation to China of 234 non-essential commodities was announced by the Ministry of Finance in Chungking on July 3. The ban reportedly aims at checking continued pressure on the Currency Stabilization Fund and strengthening Chinese resources for the prosecution of the war and economic reconstruction.

Included in the list of banned goods are wines, cigarettes, cigars, sea products, silk goods, toilet requisites, toys, medicines, meat, candy, tinned goods, fruits, vegetables, non-essential woollen and cotton goods, timber, paper, bamboo, clay and stone ware and liquid fuels for which there are substitutes.

Simultaneously, the Government announced a liberalization of export regulations. The expected annual saving from the import restrictions is U.S.$ 68,000,000, according to a spokesman of the Ministry of Finance.

The ban on imports will be effected by refusal of Chinese banks to sell foreign exchange covering such imports, since the ban could not be enforced through the Customs administration, which is under Japanese control. Another sharp rise in the price of such imported goods as are in stock will inevitably follow the latest Chungking measure.

New Sino-French Firm to Clear Cargo at Haiphong

A new forwarding company composed of French and Chinese interests has been organized for the purpose of relieving traffic congestion at Haiphong, Indo-China, according to announcement from Hongkong last week. It was stated that the decision to form a new company resulted from a conference at Hongkong between the Chairman of the French Chamber of Commerce in Indo-China and Ho Shih-kwang, Chairman of the Chinese Chamber of Commerce in Hongkong. Shanghai merchants were also represented, according to the report. Aside from speeding up traffic on the railway between Haiphong and Kunming, Yunnan Province, other routes will be developed. Since the disruption of train service on the Canton-Hankow Railway by the Japanese invasion of South China, Haiphong has become the center of trade with the interior. It was stated that some 60,000 tons of merchandise are stored in Haiphong awaiting transportation to the interior. The congestion is so great that no further space is available even for the construction of warehouses.

A well known Shanghai businessman, who is now in Haiphong, wrote friends in Shanghai last week that the port of Haiphong "was in a hell of a mess," due to congestion of cargoes for which there was insufficient space on the railway. He said that the officials were "not entirely to blame," because the single-track railway was entirely inadequate for moving the enormous accumulation of cargoes which shippers were trying to send into China.

A Survey in Outline

Two Years of the Japanese War in China

JAPAN'S war in China is now two years old and has reached a stage referred to in the Japanese newspapers as a "full dress" war. What has Japan accomplished during these two years? Is a Japanese conquest of China feasible? Whither, after all, is Japan's reckless adventure on the Asiatic mainland leading her? These are questions which should be uppermost in the minds of all thinking Japanese on the occasion of the second anniversary of the outbreak of Sino-Japanese hostilities.

Two years of Chinese resistance have utterly disillusioned Japan's empire builders. Their dreams of an easy conquest have been rudely shattered. They miscalculated and blundered, with the result that after twenty-four months of hard and costly campaigning in China, they are as far from their objective as they were at the outset of the hostilities. Despite airbombings, naval blockades and raids on China's sea ports, which feature the close of the first two years of the war, the Japanese adventure is so deadlocked that Japan finds herself in a hopeless situation. The "riding of the tiger" is a very risky business. Eventually, it can only lead Japan to disaster.

China's Sufferings

Undoubtedly, China has suffered terribly during these two eventful years. The war has been extended to almost every part of the country by Japan's air force, thousands upon thousands of people have been killed, millions rendered destitute and homeless. Hundreds of cities have been reduced to ruins; extensive areas in the countryside have been depopulated and laid waste. Material and economic losses are so colossal as to defy calculation.

Against this background of death, suffering and destruction, two important factors stand out prominently. First, despite two years of bitter fighting, China remains strong and able to continue resistance, confident of ultimate victory. Secondly, the Japanese have completely failed to accomplish their objective—the destruction of the National Government or the Chinese army.

During the two years, several major battles have been fought, but none has been decisive. The Japanese have occupied large sections of Chinese territory, but they are having a harrowing time in maintaining control. Even in the occupied areas, their authority scarcely extends beyond the range of their guns. Whatever gains the Japanese may boast, they have been negative in character. They have only accomplished so much destruction. They have injured China without benefiting themselves.

Two Stages of War

As pointed out by Gen. Chiang Kai-shek, China's war of resistance may be divided into two stages. The first stage, which was featured mainly by positional warfare, ended after the fall of Canton and prior to the Chinese withdrawal from Wuhan. The second stage, in which the tactics of "Entire Area Warfare" (*Chuan Mien Kang Chan*) dominates, commenced after the evacuation of the Wuhan cities.

The object of the first stage, according to Gen. Chiang, was to exhaust the enemy and to enable China to perfect preparations in the rear, thus laying a firm foundation for prolonged resistance. The second stage aims at putting into execution all the plans formulated during the first period and to make full use of the Chinese power of resistance in order to achieve final victory.

The present hostilities between China and Japan had their beginning in the Lukouchiao Incident on July 7, 1937. The incident occurred about 10 o'clock at night, while Japanese soldiers were conducting "night maneuvers." Lukouchiao, better known as Marco Polo Bridge, is about 20 miles west of Peiping. Claiming that one of their soldiers was missing and that "certain persons" had fled in the direction of Wanping (a walled city near Lukouchiao) after having fired at them, Japanese troops launched an attack on Wanping, after the Chinese garrison had refused them permission to enter the city to search for the alleged "certain persons." Chinese troops defending Wanping belonged to the 37th Division of the 29th Army under the command of Gen. Feng Chih-an, who was concurrently chairman of Hopei Province.

As an old saying goes, a little spark starts a vast conflagration. Thus, a mysterious or possibly a mythical shot plunged China and Japan into a disastrous war, which has now extencdd to fully two years. Whatever the circumstances of the alleged incident, China maintained that the Japanese had no right or business to hold maneuvers at Lukouchiao even in the daytime. In staging them at night, it was evident that they were deliberately seeking trouble, as they were at Mukden on the night of Sept. 18, 1931, when a contingent of Japanese troops also held "night maneuvers" in the vicinity.

Japan Bent on War

In spite of repeated Chinese efforts to settle the incident peacefully, the Japanese military authorities, under the new commander Gen. K. Katsuki, were determined to start large-scale hostilities. While they evaded and procrastinated, they brought up huge reinforcements and prepared for action. On July 27, when Gen. Sung Cheh-yuan, supreme commander of Chinese forces in North China, rejected a Japanese ultimatum demanding withdrawal of Chinese forces from Peiping, hostilities immediately broke out in the Peiping area and at Tientsin.

Entirely unprepared for a major conflict, the troops of the 29th Army put up a valiant but futile resistance. After severe fighting in the vicinity of Peiping, Gen. Sung Cheh-yuan and other leaders of the 29th Army had to evacuate Peiping for Paoting in the night of July 28, thereby leaving the Japanese in control of the ancient capital. Tientsin fell on July 30.

The fall of Peiping and Tientsin shocked the entire nation. Particularly in Shanghai, the humiliation of the loss of the two northern cities was keenly felt. Despite the precautions taken by the Shanghai City Government to prevent any untoward incident, the Japanese soon found a pretext for starting hostilities in the Hungjao Road incident.

On August 9, two Japanese naval officers, Sub-Lt. Isao Ohyama and Seaman Yozo of the Japanese Naval Landing Party drove in a motor car to the Hungjao Road area, armed with a service revolver, and attempted to enter the Chinese military airdrome. They were challenged by a Chinese sentry on guard, whereupon they opened fire and killed the guard. Hearing the shots, men of the Chinese Peace Preservation Corps rushed to the scene and exchanged fire with the two Japanese. In a running battle that ensued, both Japanese were killed near the airdrome.

Immediately following this incident, a Japanese naval squadron arrived with large reinforcements for the Japanese naval forces already in Shanghai. Notwithstanding the efforts of Mayor O. K. Yui to settle the incident peacefully, the Japanese remained determined to strike in Shanghai.

On the morning of August 13, fighting

Szechwan Recruits for China's Armies

Photo by Mary Fei

These are typical Szechwanese recruits drafted into the army under the conscription law. In Chungking, latterly, they have been employed to clear the streets after Japanese air raids.

broke out. Thus Shanghai was plaunged into fierce hostilities which lasted for three months. In the early stages of the war, the Chinese appeared to have gained the upper hand, but the landing of large Japanese troops and the technical superiority of their equipment placed the Chinese defence at a great disadvantage.

On Oct. 26, the war took a serious turn for the Chinese. Tazang and Miaohang, strategic villages protecting the Kiangwan-Chapei salient, were captured by the Japanese. The fall of these two points made the Chinese position in Kiangwan and Chapei untenable. Consequently, the main Chinese forces had to withdraw to positions south of the Soochow Creek. The last Chinese unit—"the Lone Battalion"—did not evacuate Chapei until October 31, when at the request of the authorities of the Shanghai Foreign defences Forces, it was ordered by the Chinese supreme command to retire into the International Settlement. The soldiers of this battalion have since been interned by the Settlement authorities.

Landing at Chapoo

While the war wad deadlocked in Shanghai, a decisive development occurred on November 5, when Japanese troops landed on the northern shore of Hangchow Bay neat the fortified zone of Chapoo, after allegedly bribing the local Chinese commander. This development, an unexpected flanking movement, constituted a serious threat to the entire position of the Chinese defence in the Shanghai area. Consequently, on November 9, the Chinese forces were obliged to conduct a further withdrawal. The last Chinese unit evacuated Nantao on November 12. This marked the end of large-scale hostilities in the Shanghai area.

In North China, following the fall of Peiping and Tientsin, the Japanese advanced rapidly along both the Peiping-Hankow and Tientsin-Pukow Railways. On the Peiping-Suiyuan Railway, the fall of Nankow Pass on August 24 and the consequent fall of Kalgan, capital of Chahar, caused a virtual collapse of the Chinese defence on that line. With their caputre of Tatung, geteway to Northern Shansi, on September 13, the Japanese advance was accelerated at an alarming rate. Violent fighting raged during September, October and November in Shansi. Taiyuan, capital of Shansi, fell on November 7.

Drive on Nanking

The Japanese landing on the northern shore of Hangchow Bay early in November had a vital effect upon the Chinese defence along the Shanghai-Nanking-Hangchow line. After cutting the Soochow-Kashing Railway, the Japanese advance was rapid. Toward the end of November, their drive on Nanking was already under way, By November 9, Japanese forces were converging on the Chinese capital by four routes. After vigorously resisting Japanese attacks for a week, the Chinese defenders evacuated Nanking during the night of December 13. The Japanese entry into Nanking was followed by a reign of terror which lasted for many weeks.

Prior to the Japanese advance on Nanking, the National Government was removed to Chungking, Szechwan province, on November 20 and commenced functioning on December 1.

The next major development in the military situation was the battle of Hsuchow. Before an account is given of it, it may be in order to mention a few international complications involving Japan. On August 26. the former British Ambassador, Sir Hughe Knatchbull-Hugessen, was seriously wounded by Japanese airbombing and machine-gunning near Wusih while travelling from Nanking to Shanghai. This incident incapacitated the British envoy and finally resulted in his retirement from the Far East. On December 12, the U. S.S. *Panay* was bombed and sunk by Japanese planes on the Yangtsze near Hohsien, in Anhwei. On the same day, the British warships *Ladybird* and *Bee* were shelled by Japanese artillery. On January 26, 1938, John M. Allison, 2nd Secretary of the American Embassay at Nanking, was slapped by a Japanese sentry.

The Japanese drive on Hsuchow, strategic junction city of the Tientsin-Pukow and Lunghai railways, started at the end of December, when the Japanese forces crossed the Yangtsze River at Nanking to Pukow, and the Yellow River in the vicinity of Tsinan (Capital of Shantung, which fell on December 27), and lasted for nearly five months. The Chinese troops did not withdraw from Hsuchow until May 19, 1938.

For a few weeks following the fall of Tsinan, the Japanese pushed rapidly southward along the Tsin-Pu Line as a result of the inefficient resistance by General Han Fu-chu, head of the military and civil administrations of Shantung, who was executed on January 24, 1938. After the elimination of Gen. Han, the Chinese forces in southern Shantung were unified under the command of the Kwangsi military leader, General Li Tsung-jen. This had the immediate effect of holding up further Japanese advance.

Taierhchwang Battle

Toward the end of March, Japanese forces in southern Shantung launched a determined attack on the obscure but strategic town of Taierhchwang, where violent fighting continued for many days. Early in April, Chinese forces staged a vigorous counter-offensive against the Japanese forces massed at Taierhchwang. On April 7, the Chinese scored their first major victory over the Japanese, inflicting heavy casualties on them estimated to number more than 7,000.

In the latter part of April, the Japanese resumed large-scale operations from both the northern and southern sections of the Tsin-pu Railway, after having brought up huge reinforcement from various parts of North China. At the beginning of May, the situation at Hsuchow became critical, when the Lunghai Railway was cut. Finally, Hsuchow fell on May 19.

A Hollow Victory

Japanese occupation of Hsuchow was the culmination of five months of efforts but it was a hollow vicotry. The main Chinese forces escaped Japanese encirclement. Even the Japanese themselves were disappointed at the result of the battle. Commenting on the fall of Hsuchow, the *Japan Times* said: "Undeniably the Japanese people were surprised to learn that when our troops reached Hsuchow, there were only a thousand Chinese soldiers to offer resistance."

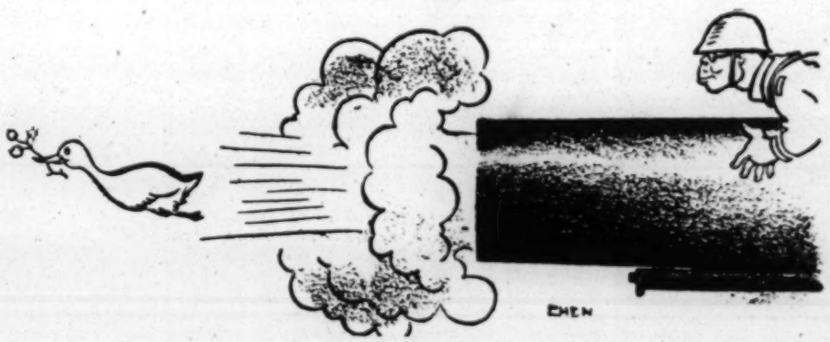
With the fall of Hsuchow, the Japanese pushed westward along the Lunghai Railway for a drive on Hankow. But just as they were nearing Chengchow, junction point of the Ping-Han and Lunghai Railways, floods from the Yellow River intervened and halted their further advance. Consequently, the Japanese had to give up their plans for an advance on Hankow through the plains of southern Honan and to shift their main forces to the Yangtsze Valley.

The Japanese drive up the Yangtsze was slow and costly, After five months of hard campaighing with combined army, navy and air units, they found their advance so hopelessly deadlocked that they had to create a diversion elsewhere in order to break the stalemate.

Heavy Chinese forces stationed on the banks of the Yangtsze and numerous booms laid across the river effectively barred the progress of the Japanese towards their objective: the Wuhan cities. The capture of Kiukiang on July 26 marked an important step in their progress, but it was not until three months later that they were anywhere near the Wuhan environs

The Japanese started operations in South China as early as September of 1937, Despite repeated attempts for more than a year, they failed to land on the Fukien-Kwangtung coast, although they succeeded in occupying a number of islands, notably Amoy and Namoa. In their exasperation, they inaugurated a reign of terror by incessant airbombing of Canton in the summer of 1938, which exacted an appalling toll of lives.

Nippon Peace Offer



China Today

Bias Bay Landing

At the beginning of October, 1938, the Japanese concentrated a large fleet off the Kwangtung coast. In a surprise naval and air attack, they effected a landing in the Bias Bay region on Oct. 12. Because of the transfer of the main Cantonese divisions to the Yangtsze Valley, the Bias Bay area was thinly garrisoned. Consequently the Japanese landing was virtually unopposed and they were enabled to push rapidly toward Canton, which was occupied Oct. 21.

The fall of Canton naturally had an adverse effect on the Chinese defence in the Yangtsze Valley, and rendered the defence of Wuhan less a vital necessity. The Chinese army was withdrawn from Wuhan on Oct. 26, after having set fire to the the three cities. When the Japanese finally arrived, they found Wuhan a huge ruin. For this prize, they paid a price in the form of some 300,000 casualties.

Long anticipated as inevitable, the abandonment of Wuhan produced no effect on the morale of the Chinese people or the government's determination to continue resistance. In explaning the withdrawal, Gen. Chiang Kai-shek emphasized that the meaning of the defence of Wuhan in checking the westward drive of the

Japanese, dissipating their strength, facilitating the transportation of amrs from abroad, developing the communication lines in the rear and covering the removal of industrial plants from the coastal provinces to the Northwest and Southwest. With the severance of the Canton-Hankow Railway following the Japanese occupation of Canton, the Generalissimo explained, the importance of Wuhan in the scheme of national resistance had considerably diminished. From a military point of view, the strategic value of Wuhan did not lie in the three cities themselves, but in the hills surrounding them. As the Chinese forces had taken up their positions in the surrounding heights, their evacuation of Wuhan proper was of little consequence.

Despite sporadic fighting on various fronts and unabated aerial bombings, the Japanese failed to make any notable progress for the next four months. The Yangtsze campaign apparently had so strained their strength that little was left to continue large-scale operations. November, and December of 1938 and January of 1939 witnessed practically no changes on any front.

Seizure of Hainan

Blocked in Northwest, Southwest and Central China, the Japanese found it necessary to create another diversion to break the deadlock. This was the surprise Japanese landing on Hainan, China's largest island, off the Kwangtung coast, on Feb. 10. From the military point of view, the Japanese landing on the island was of little importance, as its possession gave the Japanese no advantage in their operations on the mainland. However, the strategic value ot the island in the Pacific is enormous.

As pointed out by Gen. Chiang Kai-shek, Hainan is an important strategic point between the Pacific and the Indian Ocean. Should an enemy occupy the island, not only would communications between Hongkong, Singapore and Australia be interrupted, but also the security of the Philippines would be threatened. Incidentally, the Japanese landing on Hainan is a sad commentary on the Anglo French appeasement policy in the Far East.

The opening of March found the Japanese preparing for a renewed offensive in Northern Kiangsi, with Nanchang, capital of the province, as the objective. It was indeed a surprise that after having occupied Kiukiang nearly a year before, the Japanese had not been able to attack Nanchang earlier. Nanchang was abandoned on March 27, when the Chinese defence, averting a pitched battle, withdrew to the neighboring hills. The Japanese casualties in the Nanchang campaign were conservatively estimated at 20,000.

Chinese Counter Attack

The months of April and May were featured by Chinese counter-offensives launched on all fronts. These organized and simultaneous attacks played so much havoc with the Japanese that their garrisons in various occupied areas were sorely harrassed and decimated. Particularly in Kaifeng, Honan capital, the Japanese fared worst and were subjected to successive Chinese raids.

Since May, the main theatre of war has shifted to Central and Northern Hupeh, where the Japanese have made repeated but futile attempts to advance on Hsiangyang and Fancheng, geteway to Shensi. The objective of the Japanese drive into Shensi is twofold : to break up the concentration in the Northwest and to launch an attack on Szechwan. At the end of the second year of the war, the Japanese are still deadlocked in the Han River valley, without being able to make any progress.

The month of June witnessed the Japanese attempt to blockade the entire China coast. Toward that end, the Japanese navy, idle for months since the occupation of Hainan Island in February, suddenly launched attacks on various Chinese seaports and the islands in the vicinity of them. On June 21, the Japanese landed at Swatow on the Kwangtung coast. Two days later, June 23, Tinghai, island city off the eastern Chekiang coast, was occupied. The Japanese efforts at occupation of Wenchow, important Chekiang port, and Foochow, capital of Fukien, so far have not been successful, although they were able to land on Yukwan, (island off Wenchow) on June 26 and Sharp Peak (island off Foochow) on June 27.

The Japanese naval blockade of the China coast, even if successfully enforced, will have little or no effect upon the Chinese campaign of resistance. Because, in the first place, since the fall of Canton, China has not depended upon the seaports for her arms supply from abroad, and secondly, any major and decisive war will have to be fought in the interior and not along the coast. The Japanese occupation of the coastal cities, while giving the Japanese army no advantage in their operations inland, can only result in further division and weakenning of Japanese strength.

As a side show to the operations on the mainland, the Japanese staged a landing on May 12 at Kulangsu, the international settlement at Amoy. This move was evidently designed to test the reaction of the Powers towards the contemplated seizeure of all foreign concessions and settlements in China. And the reaction proved highly discouraging. As a demonstration of Anglo-French-American solidarity in the Far East, naval units of the three Powers were also landed on the island in reply to the Japanese gesture. Although the situation at Kulangsu is still deadlocked, the Powers' action has had the effect of restraining further rash moves on the part of Japan elsewhere, particularly in Shanghai.

China's Air Force

During the past two years of hostilities, the Chinese air force, although numerically inferior to the Japanese, played a significant part in assisting in land operations. Two outstanding achievements deserve special mention. On Feb. 23, 1938, a squadron of Chinese bombers staged a surprise raid over Formosa, resulting in considerable damage to Japanese aircraft and the observatory at Taihokou, capital of Formosa. On May 20, 1938, Japan Proper was raided for the first time, when two Chinese bombers flew over Kyushu, Osaka and Sasebo. In glaring contrast to Japanese bombing of Chinese civilians in open cities, the Chinese bombers dropped not bombs, but only leaflets.

In the field of domestic affairs, the formation of the united front between the Kuomintang and the Chinese Communist Party, the Kuomintang sessions (at one of which Gen. Chiang Kai-shek was elected Chief Executive of the Party), and the creation of the People's Political Council were the outstanding events.

Japan's political intrigues in China during the two years took the form of two major moves : creation of puppet regimes and "peace" inducements. The first puppet regime, the so-called "Ta-Tao" government, was established in Shanghai on Dec. 5, 1937, headed by Soo Hsi-wen. On Dec. 14, the so-called "Provisional Government" was established at Peiping with Wang Keh-min as the chief puppet. On March 28, 1938, a third puppet regime was set up at Nanking in the form of the "Reformed Government," headed by Liang Hung-chih. Japanese attempts at creating an united puppet administration in China have so far been in vain.

German Peace Move

Japan's "peace" maneuvers dated back as early as the winter of 1937. When the battle of Nanking was at a critical stage, Germany evidently inspired by the Japanese, offered mediation. on Dec. 2, 1937, Dr. Oscar Trautmann, the then German ambassador, flew to Nanking from Hankow and reportedly communicated to Gen. Chiang Kai-shek Japan's peace terms. Gen. Chiang was said to have told the German envoy that peace was impossible as long as Japan continued to exert military pressure on China. Gen. Chiang's firm stand sent Dr. Trautmann back to Hankow on Dec. 4.

The failure of the German mediation attempt had an adverse effect on Sino-German relations, which culminated in the recall of the German military advisors and the German ambassador in June, 1938.

Subsequently, at the critical stage of every major battle, particularly, before the fall of Hsuchow, Canton and Wuhan, Japan revived the peace overtures in order to induce China to submit. As such tactics failed to produce the desired effect, Japanese political intriguers bent their efforts at creating dissension within the Kuomintang, in the hope of breaking the united front. Although the Japanese failed to achieve their objective, they succeeded in wrecking the carreers of two men.

These are Prince Fumimaro Konoye, former Japanese premier, and Wang Ching-wei, expelled Kuomintang deputy executive. Wang and Konoye colluded to patch up a "peace" on Japan's terms at China's expense. Fearing woeful consequences for his plot, Wang fled from Chungking on Dec. 19, 1938 and then went into hiding in Hanoi, following the failure of his attempt to instigate the Yunnan governor, Gen. Lung Yun, to revolt. On Dec. 22, Konoye made his peace offer to China. A sensation was caused throughout China, when Wang on Dec. 29 responded to his statement, openly advocating China' acceptance of his peace terms. Both the Chinese government and people were infuriated at such an outrageous action. As a disciplinary measure, Wang was expelled from the Kuomintang on Jan. 1, 1939 and dismissed from all his posts. In response to public demand, the government issued an order for Wang's arrest on June 8, 1939.

Konoye Cabinet Falls

On January 4, 1939 the Konoye Cabinet tottered to its fall. It has since been replaced by the Hiranuma cabinet. The change of the Japanese administration, however, has not had the effect of deterring Wang from continuing his intrigues, as indicated by the conclusion in April of an alleged agreement between Wang and Hiranuma.

Two years of war have strained Japan's resources to the utmost and the country stands on the verge of bankruptcy. Such profits as Japan has derived from her military conquests have not even begun to meet the war bills. Each day the war campaign continues, sees Japan getting further into the red. How much longer can she continue? Can Japan, under any conditions, continue the war for another 12 months? The coming year furnish the answer to these questions and this answer is expected by many to take the form of a national disaster—for Japan.

Swatow Seizure Seen as New Blow Against the British

By The South China Correspondent of The Review

EIGHT months after the Japanese occupation of Canton, Swatow, the last Chinese trading port of any importance along the coast, was entered by the Japanese on June 21. For months, the occupation of Swatow was expected by the Chinese authorities, who made ample preparations for the evacuation of women and children. It is perhaps for this reason that when the Japanese landed in Swatow they found that the port had only about 80,000 Chinese inhabitants.

At this writing, fighting between the Japanese landing party and Chinese defenders of Swatow, of whom there are about 30,000 men, is being continued just outside the city. It remains most doubtful, in view of the limited number of Japanese troops in Kwangtung, whether an early attempt will be made to advance from Swatow towards the other wealthy Chaochow districts. Well-informed sources at Shiuchow* (Shiukwan or Kukong), the present political center of Kwangtung, say that it will be many more months before the Japanese can reach Shiukwan because firm resistance is sure to be offered by the Chinese along the East River at such strategic points as Kityang, Hingning, Sinfeng, Yungyun and finally Shiuchow.

But with Swatow in their hands, the Japanese will cut off the main route of communication between Swatow and Shiukwan and the British commercial port of Hongkong. While it is denied in Shiuchow by the pro-Chiang Kai-shek authorities, Japanese reports allege that large quantities of the arms and munitions used by Kwangtung guerrillas were received by the Hongkong-Swatow route. Shiuchow opinion believes, however, that the fall of Swatow will only slightly affect the guerrillas, who obtain their arms via the Burma-Yunnanfu route and other, northern, sources.

Pressure on Hongkong

But the more important Japanese motive in their penetration of this foremost eastern Kwangtung port is to put pressure on Hongkong. As pointed out by Dr. Wellington Koo, Chinese Ambassador to France, in a statement issued in Paris, the Japanese occupation of Swatow is a preliminary action against Hongkong, a step which the Japanese are expected to take if and when the psychological moment arrives.

It is, indeed, not without significance that the Japanese should strike at Swatow at a time when their relations are most strained with Great Britain due to the R. M. Tinkler killing, detention of Colonel Spear, British Military Attache, at Kalgan, and finally the siege of Tientsin. It is said by some observers that the Japanese wanted to create a crisis in Tientsin in order to cover their loss of face in Kulangsu, when an attempt to seize control of the Kulangsu Municipal Council was defeated by the joint landing of British, American and French marines. As Tientsin is now facing another deadlock due to the firm British determination to see the blockade through, the Japanese navy now attempts to divert international attention by invading Swatow and perhaps cutting off one of Hongkong's main sources of supplies of livestock, poultry and vegetables.

It is well-known that Hongkong depends much on the Canton mainland and the Kowloon New Territories for supply of meat and vegetables. With Canton in Japanese hands, Macao, Chungshan and Swatow are the other sources. When news of the Japanese entry of Swatow reached Macao yesterday, the Portuguese authorities took precautions to ensure sufficient food supply for the Colony by enforcing a ban on the export of food from Macao. This means that all the vegetables which Hongkong normally gets from Chungshan will be terminated, because all foodstuffs from Chungshan must go through Macao before they can reach Hongkong. Higher prices for food are therefore expected in Hongkong, if not in Macao as well.

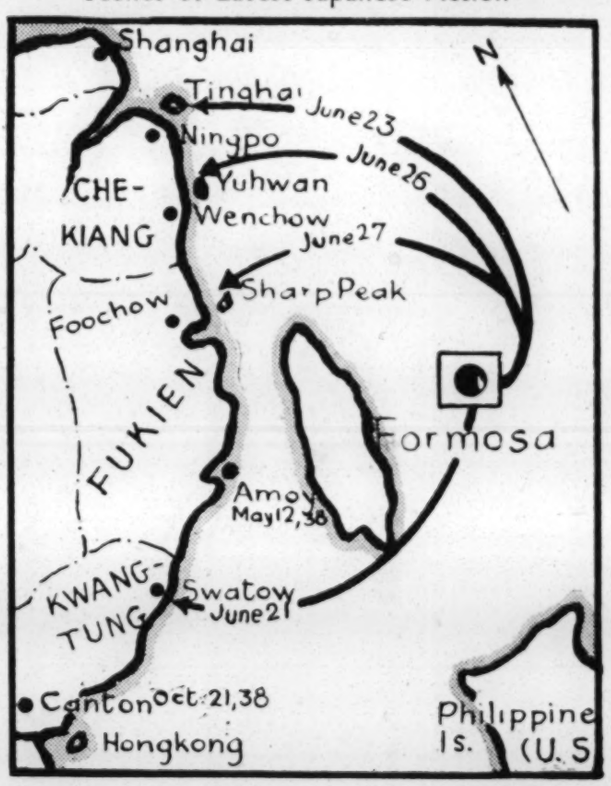
Shipping business in Hongkong is another line which will suffer through the Japanese presence in Swatow. Swatow being a center for the emigration of Chinese coolies abroad, coastal ships running between Hongkong and Swatow, Amoy, Foochow depend on Swatow for much of their passenger and freight traffic. This source of income will be much curtailed with the Japanese occupation of Swatow and Amoy and a semi-Japanese naval blockade of Foochow. Latest reports from the last-mentioned said that the Japanese warships outside Foochow had offered many obstacles to shipping and the smooth movement of goods between Foochow and Hongkong cannot be maintained.

P. I. Communications Imperilled

Realising, therefore, the importance of Swatow to Hongkong trade the Japanese invasion can only mean that the Japanese militarists are now more determined than ever to run even the risk of more serious friction with the British authorities. Another important point worth considering is the fact that with Swatow as a Japanese base, communications between Hongkong and the Philippines can also be jeopardised.

For the eight months following the loss of Canton, vast amounts of Japanese goods found their way into Swatow for general distribution to other parts of Kwangtung. In Swatow, the Japanese products were given deceptive trademarks and imported into other occupied territories in Kwangtung. With Swatow in their hands, the push for Japanese goods, with Swatow and Canton as distributing centers, can be further strengthened to the disadvantage both of British traders in Hongkong and the Chinese Government. Another point which favors the push of Japanese goods is the low level of the yen as compared with the high rate of the Hongkong dollar, which is now quoted as over double the value of the yen. At today's rate, the Hongkong dollar is worth about $2.20 in Chinese national currency, while the latter is quoted at 97 cents to each Japanese yen. When British and other foreign goods are imported into Hongkong and purchased with Hongkong dollars, they will find keen competition from the cheap Japanese goods.

Scenes of Latest Japanese Action



Review Map by P. C. Chen

Closed to Foreign Trade

Despite the official Tokyo assurance that the occupation of Swatow is merely an extension of military operations in eastern Kwangtung and that third-power interests will be respected, observers have come to the conclusion that Swatow, like Hankow, Amoy and Canton, will be closed to foreign trade for many months, at least until the end of the Sino-Japanese war. Though the reported Japanese ultimatum demanding the evacuation of foreigners from Swatow has been denied in Shanghai and Tokyo, it is not expected that foreign traders can remain long in Swatow. "Military necessity" as advanced in Hankow and elsewhere will make the presence of foreigners in Swatow a thing most undesired, while its economic effect on Hongkong must be waited to be better judged.

From the military point of view, the occupation of Swatow can hardly bring the

(*Continued on page 174*)

**The town of Shiuchow, or to use its other names, Shiukwan and Kukong, is located in northern Kwangtung on the Canton-Hankow Railway about 125 miles north of Canton. For many years it was at the northern end of the railhead, prior to Gen. Chiang Kai-shek's action in completing the Canton-Hankow line. Located on the border between Kwangtung and Hunan, Shiukwan has always been a strategic city. Gen. Chiang started the Nationalist advance to the Yangtsze Valley at Shiukwan in 1926. Hitherto the Japanese have been unable to advance northward from Canton, but now it is likely that they may try to drive on Shiukwan from Swatow, thus bringing pressure in two directions. The Japanese Army is determined to link up the Yangtsze Valley with Canton, either along the railway or through Kiangsi, which would further isolate the National Government at Chungking and make the eastern China provinces subject to Japan and her puppets.*

China's 'Rice Christians' a Headache to Missionaries, Says Nippon Writer

BY YASUZO SHIMIZU

(Principal of the Sutei Gakuen, Peking)

Editor's Note: The following is a translation from the book entitled "Shina no Hitobito" (People of China) published by the Rinyu Sha Press, Tokyo. We reproduce it here because of general interest in the subject which the author discusses and the interesting comparisons which are made between Christians in China and Japan.

STUDY the average Chinese Christian, and you will grasp many of the characteristics of the Chinese people. Christianity in China prevails mostly among the lower class, whereas in Japan it is propagated chiefly among middle-class intellectuals. Few peoples are less religious than the Chinese. And yet it is a common sight to see in China anything from 500 to 800 persons go to church every Sunday. They are socalled "rice Christians" who who go to church for the express purpose of getting not so much spiritual as material help.

It seems to me that in Japan the poorer one is, the less likely is he to become a church-goer. That is why Christianity has had little or no hold on people in the lower stratum of society in Japan. Lu Hsun, one of China's literary giants, once said: "Many live on teachings; few believe them." The American missionaries with whom I once discussed the question of rice Christians told me that they were utterly sick of such Christians. I cheered them up by saying that in due course of time even those rice Christians would get to know that "it is more blessed to give than to receive" and would gradually turn out to be good devotees of the Christian faith.

Chinese 'Reverse of Religious'

Personally I am inclined to think that most Chinese are the reverse of religious. In Peking, for example, there are churches where some 600 persons congreate every Sunday, but the atmosphere prevailing in those churches can hardly be said to be a religious one. Some of the church members are, no doubt, enthusiasts, but the sermons preached to them are more suggestive of commandments than anything else. They are told to go to church on Sundays, to believe in resurrection, not to go to the theater and so on. There is little spiritual about them. What is more regrettable, they evince no religious fervor. The same is true also of the Salvation Army in China. Talking one self hoarse or shedding hot tears in preaching will not make the slightest impression upon the Chinese. There is no alternative but to preach religion to Chinese as patiently as possible.

But that does not alter the fact that Chinese are wont to go to church every Sunday and keep on doing so for a long period of time—for 20 or 30 years. I am therefore persuaded that the religious nature of the Chinese is negative, and not positive. Look at Chinese Buddhism, and you will be able to see what the religious character of the Chinese is like. The sect of Buddhism that has survived in China is Zen (Dhyana) which is typically Chinese. If the Nichiren sect is representative of Japanese Buddhism, Zen is a sect perhaps most compatible with the religious nature of the Chinese nation. Should the time come when Christianity in China will require no Western missionary, there would come into being a type of Christianity that will suit the Chinese to the ground. Such Christianity, if it establishes itself at all, is bound to end by assuming a character somewhat akin to that of the Zen sect of Buddhism.

As already stated, quite a number of churches in China enjoy a congregation of 500 persons or more; as many as 1,200 congregate in some of them. In Japan, few clergymen are capable of congregating as many as 300. One notable feature in China is that no offering is taken in a church. Without a single exception, the churches in China are maintained by foreign donations. Only an exiguous handful of them are in a position to support their own ministers, even if the number of the congregation there reaches 1,000. If one person made a monthly donation of the paltry sum of 10 sen, such churches could easily support themselves. That even such a small donation is not made is almost unbelievable, but it is a fact all the same.

Large Congregations Wanted

I told this to a well-known Japanese clergyman who visited China. This is what he said: "That's news to me. They are out to collect money in churches in Japan, and that is probably why their members are apt to keep away from them. What we want is large congregations. They need not give a gift of money. Frankly speaking, one of the cogent reasons why the church in Japan fails to enjoy popularity is that the Japanese Christian does not show himself a regular church-goer, although he is only too willing to give a gift of money." Although I am not at one with him, his is one way of looking at it.

Missionaries in China control Chinese followers of the Christian faith. But in Japan missionaries have to content themselves with assisting the Japanese clergy. They all studied theology at colleges or seminaries in their own countries and those destined for China were in no way superior in every respect to those for Japan; only the tendency has been for the former to

Where Angels Fear to Tread

This cartoon by H. E. Homan, an American famed in his profession, is no exaggeration. As reported in The Review of May 13 and 20, a Japanese destroyer last May 2 held up the s.s. Tembien, a ship of Italian registry, which was conveying American Red Cross supplies to Ningpo for the relief of the civilians in that city who had been subjected to Japanese aerial bombings. When told the vessel's mission, the commander of the Japanese destroyer said: "We do not want to help the wounded Chinese. We want them to die." The Tembien was forced to return to Shanghai.

be afforded a better chance of taking the initiative and consequently of giving ample scope to their ability. Missionaries in Japan, on the contrary, are not given a free hand; they are often made use of as teachers of English rather than as preachers of the gospel. The missionary work in China includes, among other things, training teachers, making school syllabuses and guiding students. Thus the missionaries themselves are probably happy in being able to undertake all these pieces of work, but this does not help to improve the position of the Chinese Church. The tendency is for the more promising of the Chinese Christians to cast the faith to the winds and seek a new field of activity in business or politics or in diplomatic service. All things considered, therefore, the missionaries in Japan are producing better results, although they have to do mission work at the hands of Japanese clergymen, they themselves being obliged to remain in the background.

Cultural Level Said Low

It is the Chinese Church that has made the missionaries in China what they are. As I have already said, the average Chinese Christian lacked the push and go of his brother in Japan. Unless the missionaries exercise the utmost care and vigilance, this tendency will not be remedied in the future. The Chinese Church will find it difficult to wield influence upon the middle class, that is, upon the intellectuals of the country.

Then again, the average Chinese minister has little, if any, culture. Few of them are erudite, having no knowledge of German or English. In rare cases, it is true, we meet with Chinese parsons conversant with English, but such men are apt to become businessmen or politicians or diplomats. The missionaries themselves seem to know to their cost what it is to teach English to Chinese Christians. Hence they refrain from giving thorough instruction in the language. The wonder is that Chinese parsons can manage to carry on their work without any knowledge of foreign languages, particularly of English, despite the scarcity of the literature of Christianity written in their own language.

The average Japanese clergyman offers a striking contrast. No matter what sect of Christianity he may belong to, he is a master of English. In his study are books written in a European language or languages. My only regret is that he does not read more Japanese books. Very few Chinese clergymen seem to have a knowledge equal to that of university professors, let alone profounder knowledge. There are one or two learned ones in each of the principal cities of China, and their social position is by no means insignificant. Their opinion carries a good deal of weight. In the light of this fact, it is necessary for the missionaries in China to impart as much knowledge of English as possible to the Chinese clergy and send them abroad, if possible, so that they may be able to lead the society.

Social Conservatism

The Chinese Church is remarkable for the slowness of its progress. The faith propagated in China being of the orthodox school, the Church shows conservatism on all social questions. The Chinese maxim that boys and girls should no longer be seated together when they are seven years old found expression even in a church. Until some 20 years ago, it was customary to provide a partition between the pews for women and those for men in a Chinese church. The parson used to stand in such a posture that only half of his person could be seen from either part of the church so partitioned off. In order to be perfectly fair to the church members of both sexes, the preacher had to remain exactly where he was from start to finish. This peculiar custom was eventually done away with when Dr. Hu Shih, the present Ambassador to America, and Mr. Chen Tu-hsiu, a Communist leader, started a new movement, as a result of which even co-education came to be introduced into China.

The Church should take the lead in this world of ours, but the sober fact of the matter is that it is left behind. Deploring this, a certain theologian writes in his book that preachers of Christianity have no longer leadership. China is not alone in being in a Christian backwater, but in no other country is this state of affairs regretted more deeply than in China.

Seizure of Swatow

(*Continued from page 72*)

Japanese a step nearer to their final goal of success. Judged by the slow speed of the Japanese progress in fighting around Canton the gain in Swatow can hardly be compensated by the greater expenditure of having to send a large garrison force to eastern Kwangtung. In this connection it must be noted that the Japanese connection between Swatow and Canton is made possible only through warships between the two ports. On land, Chinese forces are still holding the whole of the East River district, except for a short distance between Canton and Sheklung or the Chinese section of the Kowloon-Canton railway. On the other hand, it is also possible that the Japanese are now anxious to force the British to a compromise, in which case Canton and Swatow can be utilised as a bargaining weapon to make Britain accept the new Japanese doctrine of "a new order in East Asia." In this respect, many people interpret the Swatow invasion as more a Japanese demonstration to Britain than an attack on China.

Population Depleted

From the Chinese point of view, the loss of Swatow is most insignificant, because the Chinese Government expected only to carry on the war in the interior provinces. Swatow has long been evacuated by all rich Chinese. As in the case of Hankow, the scorched earth policy was followed. Many big fires raged through the whole Swatow area the day after the Japanese entry and the Japanese economic gain is therefore extremely doubtful. But there is the moral effect on the rich overseas Swatow and Chaochow merchants which must be considered. In Hongkong and abroad are many Swatow merchants whose remittances back home amount to millions of dollars annually and the loss of their home country will certainly have a demoralising effect on these overseas Swatow merchants, amongst whom are many of Hongkong's important Chinese importers and exporters, who traded in an area in Hongkong known as the Nam Pak Hong.

Another belief is that the Japanese have taken Swatow in order to extend the puppet organization in Canton by appointing a more influential pro-Japanese leader as head of the southwestern government. So far, those at the head of the puppets in Canton are second-rate politicians whose names are recognized only locally. But the Chinese government is expected to counter such a political move, and one of the counter-measures is the reinforcement of propaganda in South China and the opening recently in Hongkong of a big Chinese newspaper which has as its aim the counteracting of pro-Japanese peace agitation. This newspaper is managed by a well-known former Chinese provincial chairman of Kwangtung.

Hongkong, June 30, 1939.

Japanese Sword for Adolf Hitler

Gen. Sadao Araki, Minister of Education, was present at a ceremony at Tokyo Imperial University on June 25 when a Japanese sword of finest steel was presented to the German Chancellor Adolf Hitler. The sword, product of the famous swordsmith Kazama, was presented through Eugene Ott, German Ambassador to Japan, by the Rector of the University, and will be forwarded by special messenger to Berlin. General Araki delivered a speech in which he emphasized the significance of the sword in German-Japanese friendship.

Guerrillas Have a Good Week in Peiping Area

The week ending July 1 was a most successful one for Chinese guerrillas in the Peiping area, according to a *Reuter* dispatch from the northern city. Travellers were quoted as saying that two trains were wrecked, one 25 miles from Peiping and the other at Weihuifu in northern Honan, on the new Japanese-built loop-line across the Yellow River to Kaifeng.

Twenty-five thousand men are said to have been involved in a battle between Japanese forces and Chinese guerrillas which proceeded all week to the east of Tinghsien, yn the Peiping-Hankow Railway.

Reliable reports from Shihchiachuang, *Reuter* said, described a daily stream of wounded Japanese soldiers arriving there, while many wounded men and the ashes of the Japanese dead were coming from Shansi province, where numerous engagements are being fought with guerrillas.

Too Old At Fifty!

This is a young man's age and it is popularly supposed that a man has passed his zenith by the time he is fifty. Whether this is true, however, depends entirely upon the individual, and health is a governing factor.

Premature ageing is frequently the result of impoverished blood. The heart, the lungs, the digestive organs, indeed every cell and tissue of the body depend upon the blood for nourishment, and, if the blood is weak and watery, the action of these organs is impaired with the result that health is undermined.

If you suffer from indigestion, have no appetite, are assailed by vague pains in the back and limbs, if slight exercise causes palpitation and you are quickly exhausted, you may be sure your blood requires building up and your urgent need is a course of Dr. Williams' Pink Pills.

The rich, red blood which these pills make brings new vitality, fresh energy and strength, appetite increases, and those symptoms of early decline vanish.

Women of middle age particularly appreciate the health benefits to be derived from a course of these world renowned iron tonic pills, and they are equally good for growing children who are not thriving as they should. Chemists everywhere sell Dr. Williams' Pink Pills.

Wang Chung-hui Warns Against Compromise With Japan

WITH the increasing frequency and intensity of the Japanese-Soviet clashes on the Outer Mongolia-Manchukuo frontier, with the tightening of the Japanese blockades of Tientsin and Kulangsu and with growing Japanese naval activity along the China coast, the second anniversary of the outbreak of Sino-Japanese hostilities finds Japan more aggressive and challenging to the western Powers than ever before.

In a recent radio address to Europe, Foreign Minister Wang Chung-hui warned the various European Powers of the dangers of a policy of "compromise" with Japan. The moment has arrived, Dr. Wang said, for the European Powers to decide either to defend or abandon their interests in the Far East, as the Japanese are apparently determined to abolish all foreign concessions in China, in order to establish a Japanese Empire on the Asiatic mainland.

In an attempt to exclude European and American interests from the Far East, and to monopolize East Asia, Minister Wang continued, Japan has lanched an anti-foreign movement in the occupied areas in China. At present, the movement is directed against Great Britain, with a view to separating the European and American Powers, so that Japan may, in due course, defeat them one by one.

Aimed at West, Too

Recently, Dr. Wang added, Japan has applied strong pressure on the Foreign Concessions and Settlements in China, with a view to invading and occupying them. Westerners should understand that Japan's aggressions in China are aimed at western countries also. The Japanese army has declared a blockade of the entire China coast and restricted foreign commerce with China.

The problem confronting the various foreign powers, in short, Dr. Wang emphasized, is whether they should maintain or abandon their treaty rights and interests in China. Events in the past have amply proved that the Japanese, when they acquire "one inch of ground," will demand another foot, and will never tolerate the existence of third power interests in China, Minister Wang warned. Concluding his address, Dr. Wang urged a strong stand on the part of the Western Powers towards Japan's further encroachments upon their interests in the Far East.

Supplementing Dr. Wang's remarks was an address given by Dr. Wellington Koo, Chinese ambassador to France, in London last week. Dr. Koo, in a lecture on the "Open Door and World Peace" delivered at the Royal Society in London, declared, "Whatever assurances Japan may have given as to her intention to respect the Open Door policy in China, the obvious truth remains that the door is being kept open not for the entry of foreign interests but only for their exit." Not only had China's sovereignty been encroached upon, Dr. Koo said, but inevitably, with this encroachment, "flagrant acts in contravention of the principles of the Open Door have taken place."

Continuing, Dr. Koo said that the situation of European and American commercial interests in China in the territory now under Japanese military occupation was becoming more precarious every day. He warned his listeners that if Japan should ever be able to lay her hand on the whole of China, and thus obtain control of China's immense manpower and her vast storehouse of mineral and agricultural wealth, it was certain that she would "convert these limitless, invaluable assets of power and strength into formidable means and instruments for domination by conquest."

Stressing the importance of the principle of the "Open Door" for the peace of the world, Dr. Koo said that in the Far East the "Open Door" had come to be recognized as the fundamental principle of relations not only between China and foreign powers, but between foreign powers themselves. In the opinion of Dr. Koo, Japan's attempts at closing the "Open Door" in China would inevitably result in the exclusion of all foreign interests from that country.

Nelson T. Johnson, United States ambassador to China, was honored at a garden party last week by the Chinese-American Cultural Institute in Chungking. Dr. H. H. Kung, president of the Institute, welcomed Mr. Johnson as "a man who knows China and its conditions well. We welcome his return, not only personally, but because he represents America and Americans."

Proverbial Friendship

Stressing Sino-American friendship, Dr. Kung said: "Chinese and American friendship is proverbial and American sympathy has been amply shown. We appreciate it." He then referred to reports that 74 per cent of Americans favor helping China, 24 per cent are uncertain and two per cent favor helping Japan. "I hope the institute will let the world know the truth so that the two per cent will correct their view and the 24 per cent will know the truth," Dr. Kung added.

Mr. Johnson replied in a restrained manner. He briefly referred to the condition of the Yunnan-Burma highway and said that his trip over the new road was not marred by any incidents.

The latest change in the silver policy of the United States government will have no adverse repercussions on China, because the Chinese government had foreseen the possibility of a change and made the necessary preparations to cope with the situation. A statement to this effect was made on July 2 by a spokesman of the Ministry of Finance. China's unsold stock of silver bullion deposited in foreign countries, the spokesman said, is not large. Most of it is already in London and New York, he added.

China's U. S.-Trained Leaders

The *United Press* made an interesting survey of the extent of America's contribution to China's wartime leadership, revealing that 22 of China's leading statesmen are graduates of 13 American universities. Yale and Columbia universities led the list with five graduates each. The highest Chinese official to graduate from an American university is Dr. H. H. Kung, president of the Executive Yuan. Other leading officials include Dr. Sun Fo, Dr. T. V. Soong, Foreign Minister Wang Chung-hui, Education Minister Chen Li-fu, Dr. F. C. Yen, director of the National Health Administration and K. P. Chen, head of the Foreign Trade Commission.

Despite the Japanese naval blockade of the China coast, another shipment of American trucks—more than 500—purchased by the National Government arrived in China last week, according to a Chungking report. The first shipment of 1,000 trucks arrived last month. The trucks are of Dodge, Ford and General Motors make. All the equipment and parts arrived at the same time.

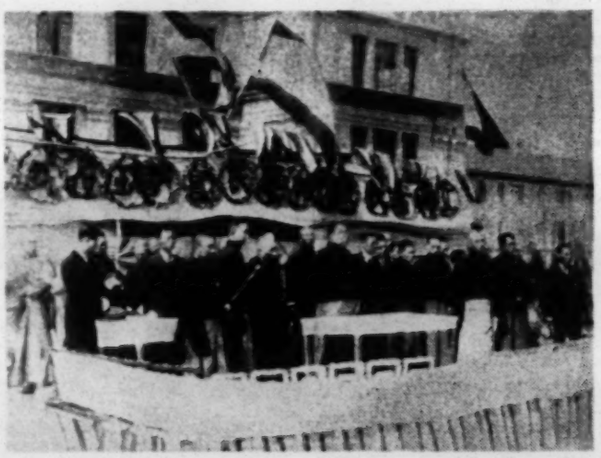
Indicative of the growingly cordial relations between China and Germany is the report that German interests in China have concluded a barter agreement with the Chinese Government. Three German Condor planes and a quantity of arms and ammunition worth about £5,000,000 will be exchanged for a quantity of wolfrem and other Chinese ores used in the manufacture of steel.

An American agency has also arranged to supply the Chinese government with H.K. $4,000,000 worth of Belgian Madison cannon and American Curtiss-Wright planes, according to a report from Hongkong.

As Shanghai this week passed through the second anniversary of the Sino-Japanese war, strict precautionary measures were being enforced in both the International Settlement and the French Concession. As early as a week before the anniversary, C. S. Franklin, chairman of the Shanghai Municipal Council, assured the Japanese Consul-General, Yoshiaki Miura, that all necessary measures for the maintenance of peace and order had been taken in the Settlement. Mr. Franklin, according to a Japanese consular spokesman, also gave assurances that the activities of anti-Japanese agitators would be prevented and Chinese-language newspapers rigidly controlled.

Reports that Wang Ching-wei, expelled Kuomintang politician, will soon emerge as the head of a new puppet administration in Nanking are gaining circulation, although Wang's exact whereabouts are still a mystery. According to a *Reuter* dispatch from Peiping, Wang recently visited the old capital and

Puppets on Exhibition



This picture, taken at the Civic Center, Kiangwan, on Mar. 28 this year, shows a congregation of Japanese puppets celebrating the first anniversary of the establishment of the Nanking "Reformed Government." Liang Hungchih, puppet number one, is the corpulent figure at the center of the stage.

conferred with both the Japanese and puppet authorities there. As a result of Wang's visit, it is said that the Japanese have decided to create a so-called "Chuan Min" or the "All -People's Government" in Nanking with Wang as chairman. However, the existing North China administration under Wang Keh-min will continue to function independently of the projected new Nanking regime.

The *Reuter* message added that the "Chuan Min" government, if and when established, will "govern" all Japanese-occupied territory in China south of the Lunghai Railway. Its flag will be a white sun on the blue ground of the Kuomintang, with the old five-barred flag in the corner. All elements in the Kuomintang opposed to Gen. Chiang Kai-shek will be allowed to carry on their activities in the "Chuan Min" area and the Japanese army will train Chinese troops for the new "government."

Wang Doing Propaganda

Commenting on the activities of Wang Ching-wei, the German paper, *Frankfurter Zeitung*, said that Wang is now devoting himself to a propaganda campaign in the occupied areas to prepare public opinion for a new form of government as envisaged by him. The journal expressed the opinion that Wang is likely to be a more successful champion of his own plans than the governments in Nanking and Peiping and that he would probably succeed in forming a new pro-Japanese Kuomintang and a pro-Japanese government in the Japanese-occupied regions.

Kao Shing-pao, well-known Chinese merchant and owner of the Lido Ballroom in Shanghai, was taken into custody on July 1 by the Shanghai Municipal Council at the instance of the Japanese authorities. The exact charge against Mr. Kao so far has not yet been made public and his detention by the police has caused much speculation.

Puppet Shot At

An attempt on the life of Lu Ying, puppet police commissioner of the Shanghai city government, was made last week, when he was fired upon while passing along the Chi Mei Road in the Civic Center in his car. The car was riddled with bullets, but Lu escaped unharmed. Shortly after the incident, Japanese gendarmes and the puppet Chinese police rushed to the scene, but no arrests were made.

Lu Ying formerly served as chief detective of the Public Safety Bureau of the Greater Shanghai City Government. After the withdrawal of the Chinese forces from Shanghai, he joined the Japanese and became chief of police under the "Ta Tao" government in Pootung, which post he has since held. The incident in Kiangwan was the first attempt on his life.

Under orders of the Japanese, the notes of the puppet Hua Hsing Commercial Bank are being accepted by the post offices in the Japanese-occupied areas in Central China, according to an announcement issued by the institution. The bank's currency in circulation on June 30, the announcement revealed, stood at $607,429.20, of which $6,138.20 consisted of subsidiary notes.

With the suspension of publication of the *Tao Pao* (*Morning Post*), on July 1, altogether five foreign-registered Chinese newspapers in Shanghai have gone out of existence. Declaring that the British publishers, J.A.E. Sanders-Bates and N. E. Bonner, refused to cooperate with them any further, the Chinese editors of the *Tao Pao* announced on June 30 that the paper had to cease publication as from July 1. In a farewell message, the *Tao Pao* expressed the hope that its readers would value all the more the other independent Chinese newspapers published in Shanghai, which pursued the same policy as it did. The other Chinese dailies which had been suspended included the *Wen Hui Pao*, *Yi Pao*, *Ta Mei Pao* and *Ta Ying Pao*.

Gen. Matsui Retires

A troubled conscience apparently has led the aged warrior, Gen. Iwane Matsui, who commanded Japan's armies in Central China in 1937, to repentance and retirement to a temple, if a Japanese report from Tokyo is to be credited. According to the report, Gen. Matsui has decided to hang up his sword and devote the rest of his life to caring for a temple dedicated to the memory of his men who died in the furious battles at Shanghai and Nanking.

Because of the growing rivalry between Maj.-Gens. K. Doihara and Kita, the Japanese authorities, according to a report from Hongkong, have decided to remove Doihara from the Secret Service Department and appoint him commander of the Northeastern War Zone in China. Gen. Kita, it is said, will be given a new post in Japan.

Gen. Tang Chu-wu, well-known leader of the Chinese volunteers in Manchuria, was killed in action in East Hopei on May 18, according to report from Chungking. Gen. Tang is said to have fought the Japanese in Manchuria for nearly eight years.

A puppet municipal government was established at Amoy under Japanese auspicies on July 1, with Li En-hsien as "mayor."

As a result of the ruthless campaign carried on by the Japanese navy in Kwangtung waters, the fishing community of the province has suffered a loss of 10,000 lives and $20,000,000, including the destruction of more than one thousand fishing boats, since the declaration of the blockade in Sept. 1937, according to a Chinese report from Hongkong. Over 30,000 fishermen are said to be now without means of livelihood.

Kuomintang Purge Ordered

To strengthen the war policy of the government, the Central Executive Committee of the Kuomintang has issued an order to all Kuomintang party officers to purge local and provincial groups of undesirable elements who are not in accord with the principles of spiritual mobilization, national reconstruction and the war of resistance. The formation of new political parties at the present time is also prohibited by the order.

Interviewed concerning the recent establishment of a trademark office by the Peiping puppet administration, Dr. Wong Wen-hao, minister of economics of the National Government, declared that no unilateral illegal act by any one foreign power could in any way affect the status of the Chinese Government Trade Mark Bureau or its functions. Dr. Wong said that foreigners are under no legal obligation to register their trade marks with any organization other than the National Government Trade Mark Bureau and no protection can be expected from any illegal puppet regime. Their compliance with the trade mark law of the National Government will give them the necessary legal and treaty protection.

The Szechwan and Shensi Provisional Political Councils were inaugurated on July 1. Li Pai-shun was elected chairman of the Szechwan assembly, while Sung Lien-kwei heads the Shensi assembly.

Comprehensive Export Control Due in N. China

Comprehensive export control in North China will go into effect on July 10, sources close to the puppet Provisional Government indicated last week, according to a *Domei* report from Peking. Specified will be 300 varieties of goods, whereof 50 comprise 70 per cent of the total amount of exports from North China. Outstanding among these 50 are pig dristles, sausage casings, pelts, linseed, goat wool and goat wool products, cotton, camel's hair, lamb wool, copper articles, tin, reed and straw manufactures.

Export bills against these goods will have to be negotiated through the Federal Reserve Bank at the exchange rate of 1 s. 2 d. to $1. Effective March 11, the same restrictions were imposed by the Provisional Government on 12 rrticles. These were eggs and egg products, chestnuts, peanut oil, apricot stones, cotton seed, tobbaco leaf, vermicelli and macaroni, coal, wool carpets, straw strands and salt.

China-Japan Telephone Service is Inaugurated

Cable telephone service between Japan and China was opened to the public July 1 following the successful completion of tests and ceremonies in which officials of Tokyo and Peking participated, according to a *Domei* report. Wireless service has been provided up to the present time. Mr. Harumichi Tanabe, Minister of Communications, exchanged messages with Wang Keh-min, chairman of the Executive Council of the Provisional Government in Peking. Lieut.-Gen. Masataka Yamawaki, Vice-Minister of War, spoke to the commander of the Yamawaki Detachment, after which representative officials of both cities and members of Sino-Japanese organizations exchanged messages.

British Marines Are Landed at Foochow

A small force of British bluejackets was landed at Foochow, seaport in Fukien province, toward the end of last week, to protect British lives and property, according to a *Transocean* report from Hongkong. The landing was effected from the new British river gunboat, H.M.S. Grasshopper, which was anchored in the Min River. The vessel recently arrived there from the Yangtsze delta. *Transocean* said that 26 Japanese warships were anchored at the river mouth. Foochow, meanwhile, is being subjected to intermittent aerial attacks by Japanese naval bombers.

Germany Said Supplying China With Munitions

The London *Daily Herald* and the *Daily Express* on July 3 featured sensational reports from their correspondents in Singapore regarding the shipment of German arms and ammunition to China, according to a *Reuter* dispatch from the British capital. The reports stated that large shipments of German shells, cartridges, revolvers and explosives recently arrived in Singapore by three steamers, the *Bertram Rickmers*, the *Hans Rickmers* and the *Leverkusen*, all from Hamburg, and that the cargoes were there transferred to a Chinese steamer and taken to Rangoon, whence they were moved overland into China.

More Fighting on Outer Mongolian Frontier; Soviet Defeat Reported

53 MORE SOVIET PLANES REPORTED SHOT DOWN

Fifty-three Soviet aircraft were "definitely ascertained" to have been shot down in a series of combats along Manchukuo's western frontier on July 4, the headquarters of the Kwantung Army announced from Hsinking the following day, according to a *Domei* report. Added to previous Japanese claims, it would appear that the Soviets and Outer Mongolia have lost a total of 365 machines since the beginning of the present series of frontier clashes.

When, as reported in last week's issue of *The Review*, a Japanese Army spokesman at Shanghai predicted on June 27 that there would be more fighting on the Manchukuo-Outer Mongolian frontier, he evidently spoke from "inside" information as to Japanese intentions, for reports during the past week have revealed a state of affairs in the frontier region which is war in all but name.

Perhaps strangely, the Soviet *Tass* agency has been totally silent regarding the latest border fighting, leaving the Japanese *Domei* agency a clear field to present their versions to the world—aided, it may be noted, by the British *Reuter* agency which has a special correspondent at Hailar. This correspondent is understood to enjoy the distinction of working for *Reuter* and the Japanese *Kokotsu* agency at one and the same time, which, if true, would account for his dispatch from Hailar on July 3 describing a battle in which Soviet and Outer Mongol troops suffered a serious reverse.

Positions Recaptured

All advanced positions held by Soviet and Mongol troops in allegedly Manchukuo territory—positions taken by the Mongols recently—were recaptured by mixed Japanese and Manchukuo troops on the night of July 2, this correspondent reported. These positions are in the areas of Changchingmiao, Noro heights and Nomanhan, approximately 180 miles southwest of Hailar.

The correspondent said he watched Japanese light artillery bombarding Mongol positions, particularly in Nomanhan, a 150-foot hill. The hilltop, only observation post remaining in Mongol possession in that sector, he said, was a mass of smoke and flames. Following the bombardment, the Komatsubara unit of the Kwantung Army moved to the attack, supported by mechanized units and heavy machine-guns. Japanese planes were active throughout the day, bombers raiding bases and chasers machine-gunning Soviet forward positions and lines of communication.

Tanks in Action

Domei supported the *Reuter* claim that Soviet-Mongol troops had been driven back beyond the border. A Hsinking dispatch said that the Kwantung Army was taking action to "crush" Soviet and Outer Mongolian troops and put a stop to their repeated incursions into Manchukuo territory. On July 3, according to the same source, more than 100 Soviet and Outer Mongolian tanks charged Japanese positions near the Khalka River and more than 30 were destroyed or disabled by Japanese artillery and airplanes. A little later, more than 30 Soviet planes invaded Manchukuo, but most of them were damaged by Japanese gunfire and driven back.

On July 4, the agency reported the downing of 14 Soviet planes in five separate combats. Another *Domei* report claimed only 11 Soviet machines were brought down.

Giving some idea of the scope of the military operations, *Domei* stated that Manchukuo territory had previously been invaded by 4,000 Soviet and Outer Mongol troops and that they were finally pushed back on July 4 after "the biggest battle in 12 months."

Outer Mongol Rising

A *Domei* message from Tokyo on June 30 said that the defeat of Soviet forces in air battles around Lake Buir "had a tragic sequel in an uprising of Outer Mongols against Soviet administration," according to a press message from Hailar. One thousand revolutionists, according to the message, staged a revolt at Alkhangaya and two other towns southwest of Tamsk, which is about 100 kilometers south of Lake Buir. It was claimed that the insurgents had occupied all government and public buildings in the area.

A Russian flier named Zubkov, allegedly captured by the Japanese, expressed keen disappointment with Soviet aviation, according to *Domei*, which credited him with the following remarks anent the aerial battle over Tamskusumu on June 27: "When I watched that fight I felt that Soviet fliers were amateurs at the business. They did not have any spirit or energy. They were shot down one after another. I was shocked to see that nearly 100 were shot down by the Japanese. They had boasted so much about what they would do, and now what a miserable showing they made. I would like to let my friends in Mosçow know what is really going no here. I wonder why the Soviet air force is so weak. I think it is well that I got out of Soviet territory."

Nippon Bombs Wreck Missions' Property

Once more giving the lie to repeated Japanese assurances to respect foreign property in their aerial attacks on Chinese cities, Nippon bombers destroyed the main building of the American Union High School at Foochow on June 30. An incendiary bomb completely demolished the structure, at the same time killing two Chinese children. The school was under the administration of the Methodist Episcopal Church and the American Board of Missions. Its students were Chinese exclusively. Located six miles from the city of Foochow, and standing alone, it is hardly believed possible that the Nippon raiders could have bombed the structure "by mistake." The building was valued at U.S.$35,000.

Secretary of State Cordell Hull announced in Washington July 1 that a protest was being delivered to Tokyo, together with a claim for compensation.

American Flags Ignored

Another American property recently destroyed in a Japanese air raid was the American Covenant Mission at Siangyang, in Hupeh province. This was revealed by Dr. and Mrs. Peter Matson, who arrived in Chungking July 3 and told the story to *United Press*. More than 15 bombs hit the mission property, they said, despite the fact that large American flags were clearly displayed on it. Not only the mission property, but virtually the whole city of Siangyang was decimated in this and other air raids, they declared.

According to reports reaching Chungking on July 3 the Norwegian Lutheran Mission, the Chinese Primary Girls' School and the Girls' Vocational School at Nanyang, southwest Honan, were hit by Japanese bombs in recent air raids. A dozen Chinese were killed, while according to *Kuo Min* 10 houses adjacent to the mission church were demolished.

Japanese troops at Tinghai, principal town on Chusan Island, in the Chusan archipelago, off the coast of Chekiang, about 120 miles south of Shanghai, have occupied the primary school of the American Baptist Mission there, according to reports received by the Mission's headquarters in Shanghai, which added that the Rising Sun flag had been hoisted over the building alongside the Stars and Stripes. Japanese troops captured Tinghai on June 23.

Missionaries Detained

The *China Evening News* on June 29 quoted a refugee from Tinghai as saying that Prof. T. Y. Fong, principal of the Chusan Middle School in that city, which is also an American Baptist Mission property, was being detained by the Japanese, who apparently intended to persaude him to become their leading puppet in the city. He was reportedly detained when he went aboard a Japanese warship to request withdrawal of Japanese forces from the island. On this mission he was accompanied by Bishop Chen, who was also detained, according to the refugee informant.

According to a *Reuter* report from Peiping on June 29, the Japanese military gave the British Anglican Mission one week's notice to vacate their hospital in Tatung, Shansi province. The Japanese reportedly offered $75.000 for the property, which is valued at $400,000, and Bishop Norris has gone to Tatung to investigate the Japanese demand. A later report said that the Japanese had extended the time-limit for evacuation indefinitely, but were continuing to press for sale of the property at their own price.

In a broadcast speech from Chungking on June 6, Prof. S. Lautenschlager of Lingnan University, Hongkong, made a passionate condemnation of Japan's aerial bombing campaign and the continued furnishing of war materials to Japan by Western countries. "The orphans, the maimed, the homeless and the dead in China appeal to us in the West to stop this mass murder by refusing to sell Japan the munitions of war," he said.

French Indo-China Army Said Doubled in a Year

Within one month of any eventual mobilization order, Indo-China would have an army of 100,000 men, well-equipped and with competent officers. This is the gist of a report sent to President Albert Lebrun on July 3 by M. Georges Mandel, Minister of Colonies, who requested that the President approve a decree providing for extraordinary taxes in Indo-China to finance the rearmemant program undertaken in that part of the French Empire. This was according to *Havas*.

The forces in Indo-China have been doubled since the past year, M. Mandel's report added, while there is a considerable amount of war material at hand already. An ammunition factory is under construction as is also an aircraft plant which will soon be able to manufacture 150 planes and 400 plane engines each year.

To finance such a program the report concluded, a national defence loan of Frs. 400,000,000 was launched on May 24, 1938 and was immediately subscribed in full. However, this amount proved insufficient, and extraordinary taxes are now being contemplated.

Refugee Girls Receive Training in Chungking for Work in War Areas

(*China Information Service*)

OFTER seen in the streets of Chungking are a battalion of Chinese girls, tanned and healthy, singing war songs as they march along with full kits on their backs. The manner of their marching tells of the regulated, semi-military life which they lead, for they are being trained by Madame Chiang Kai-shek.

In this unique battalion are some 450 refugee girls from the lower Yangtsze Valley. The youngest one is only 14 but insists that she is 15 because she wants to serve the nation at war. These girls have all had some military training in Hunan. Now, under Madame Chiang's personal direction, they are rounding out their courses before leaving in a few weeks' time for actual work behind the lines.

These girls will follow in the footsteps of more than 100 graduates of Madame Chiang's previous classes conducted in Hankow under the auspices of the Women's Advisory Committee of the New Life Movement Association. The latter are now working in many districts in Hunan, where they issue wall-papers, distribute medicines and hold classes for illiterate women. They also teach local school children war songs and the rudiments of first-aid. Mass meetings and visits to soldiers' families are organized by them to encourage more people to join the colors and to improve relations between civilians and the army.

Assist After Air Raids

This training for war area service, however, is but one of numerous activities of the Women's Advisory Committee. For instance, after the first two disastrous raids on Chungking by Japanese warplanes on May 3 and 4 which killed more than 5,000 civilians and wounded 2,000 others, all staff members of the Committee took part in emergency relief. Madame Chiang sent her own car for the evacuation of refugees. Large quantities of food and medicine were distributed.

Believing that war and production should go hand in hand, the committee is maintaining a weaving experimental station at Sungkai, a town about 100 kilometers to the southwest of Chungking on the Yangtsze as a prelude to the opening of other spinning and weaving factories for soldiers' families. In fact, the New Life Weaving Factory near Chungking plans to enlist 1,000 wives and daughters of Chinese servicemen.

At Sungkai the Committee has a training school for women. Its program consists half of study, half of work. Courses are given in the management of cooperative societies, and working methods, as well as in music, language and arithmetic and other useful subjects. One hundred girls were graduated on New Year's Day, 1939 and another hundred at the end of March.

Soldiers' Families Helped

The graduates are directed by the Committee in the organization of weaving cooperatives. They buy machines at half price from the Committee and pay in instalments. Soldiers' families receive discounts on purchases from these factories. Daughters of soldiers' families are given preference in enrollment for the training school. The Committee continuously writes letters to soldiers at the front. The following is a reply from a lieutenant: "I am deeply grateful to you for taking care of my wife and children and teaching them how to make a living. You in the rear have done a great deal for us at the front."

The Committee is also encouraging girl students to learn farming in order to stimulate women in the rural areas to produce more food and clothing materials. Its experimental farms at Sungkai are introducing better seeds of cotton and other crops to the farmers. Last October a silk experimental station was organized at Kiating to the south of Chengtu in western Szechwan and a training class for silk-weaving was attached to it. Early this year, upon the receipt of 20,000 sheets of improved silkworm eggs, more stations were set up in other western Szechwan districts. The Committee plans to teach the farmers' wives to produce better silk for export.

Because of the exquisite workmanship, Chinese embroidery commands a high price abroad. When style is modernized, the market in foreign countries will expand. The Committee is now training many girls in needle-work on satin and silk.

To help Chinese women solve their problems, the Committee has opened an inquiry office in Chungking. About 90 per cent of those registered in this office were in search of positions and more than 60 of them have thus far been placed. Some ask the Committee's guidance regarding their education.

Among the services rendered by the Committee none is more noteworthy than its "warphan" relief which has been carried out by its associated organ, the Wartime Child Welfare Association. Again Madame Chiang is the moving spirit. Before the fall of Hankow last October, the Association had 14 branches, nearly 20 refugee camps for children, 10 boarding houses and more than 10,000 children in the endangered area. At a time when transportation facilities were strained to the utmost, their evacuation to places of safety required herculean efforts.

None Left Behind

But not a single refugee child was to be left in Hankow. This was the assignment which the enthusiastic relief workers set for themselves and it was done. The last batch left the doomed city by boat on October 22, only two days before its fall. Refugee children in Changsha and Canton were rescued under similarly difficult circumstances.

Since early last year, the Women's Advisory Committee has been the coordinating office for all women's organizations in the land, irrespective of regional or religious distinctions. The Committee was responsible for the collection of more than $350,000 and 8,000 cotton-padded vests for the soldiers. All women were urged to make winter clothes for the soldiers. While in Hankow, a working group was organized for this purpose. Many women are still working under the direction of the Committee. Up to the end of last January, 10,000 padded overcoats had been made.

British Protest Nippon Seizure of a Launch

The British Consul-General in Canton, Mr. A. P. Blunt, sent a strongly-worded protest to the Japanese authorities on July 3 against the seizure a month ago of a launch named Dohlera, which was flying the British flag. The vessel was reported to have left Hongkong on June 2 with a cargo of kerosene alleged to have been consigned to the Chinese Government. It was seized by the Japanese naval authorities off Keiou Island, at the mouth of the Pearl River, on June 3.

Tokyo Pressed to Reply On R.M. Tinkler Death

Urgent instructions have been sent to Sir Robert Craigie (the British Ambassador in Tokyo) to press for an early reply to the British protest with regard to the death of R. M. Tinkler, employee of the China Printing and Finishing Company in Shanghai, it was stated in the house of Commons June 28 by Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs.

He was asked by Mr. Philip Noel-Baker, Labor member for Derby, if the government would consider effective measures to stop Japanese trade in British territory.

Mr. Butler, however, suggested awaiting for a reply in this particular case and said that the whole of the facts of this deplorable affair had been presented to the Japanese Government.

The late Mr. Tinkler was stabbed with bayonets by Japanese marines in Pootung on June 6 and died the following day in the General Hospital in Shanghai.

Soviet Envoys Recalled From Washington, Tokyo

M. Constantin Umansky, Soviet Ambassador in Washington, took leave of Secretary of State Cordell Hull on June 29 on the eve of his departure for Moscow. His recall to the Soviet capital, according to *Transocean*, was connected in Washington diplomatic circles with questions of Soviet policy in the Far East, especially since M. Constantin Smetanin, Soviet ambassador in Tokyo, announced his departure for Moscow the same day. Informed observers in Tokyo, according to *Domei*, believed that the summons to Smetanin might be connected with "the present political situation in the Soviet Union." It may be recalled in this connection that M. Alexander Troyanovsky, the previous Soviet ambassador at Tokyo and later envoy to Washington (whence he was recalled last year) has "disappeared" like many other Soviet diplomats, among them Dmitri Bogomoloff, former Soviet ambassador to China.

Nipponese to Learn How Soldiers Sweat in China

By way of reminding the public of the hardships experienced by Japanese troops in China, Radio Station JOAK in Tokyo is now broadcasting daily temperatures at different places in China during the 7 o'clock news program, according to *Domei*.

Temperatures at Tientsin, Peking, Kalgan, Tatung, Paotow, Shichiachwang, Hsuchow, Kaifeng, Shanghai, Nanking, Kiukiang, Nanchang, Hankow, Hangchow, Swatow, Amoy, Canton and Hainan Island are being reported to the Tokyo Central Meteorological Observatory and relayed to JOAK.

Shanghai Buys Surplus Wheat From Australia

Shanghai has proved to be a "very useful" outlet for surplus Australian wheat, according to the latest monthly report of the National Bank of Australasia, Ltd., received through the Australian Government Trade Commissioner in China.

Several cargoes had been bought during April and the first part of May for shipment to the city, said the report. Since the opening of the current season, 33 cargoes have been sold to China, which, with a few parcels, make up a total of some 275,000 tons of wheat.

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Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS :

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

June 17

Japanese restrictions against the British and French Concessions in Tientsin further tightened. Food situation worse; vegetables running short; meat available only in small quantities; no milk whatever available.

George A. Smith, Briton, beaten up by Japanese-controlled Chinese policemen; struck unconscious with a pistol.

Britain decided to resort to economic retaliation against Japan for the Japanese blockade of the British Concession in Tientsin and the international settlement at Amoy, according to London report. The following three possible courses considered by official circles:

1. The removal of Japan from the list of most-favored nations.
2. The denunciation of the Anglo-Japanese Treaty of 1911, thus closing to Japan the great markets of Great Britain, and the British Crown Colonies.
3. The imposition of heavy tariffs on Japanese goods.

The University Press Building, which houses the printing plant and offices of the **Morning Leader** and the **Ta Ying Yeh Pao**, British published Chinese newspapers in Shanghai, attacked by five armed terrorists. There was heavy pistol firing for several minutes, but no one was hurt, as the offices were deserted at the time when invaded. Police believed the shooting prompted by political motives.

The French Ambassador, Henri Cosme, now visiting in Chungking, minimized the seriousness of the Tientsin situation; declared that Britain, France and the United States should devise joint plan to preserve neutrality of foreign settlements in China. He criticized the propaganda of Wang Ching-wei; firmly believed that China would carry on the struggle against Japan, no matter what the Japanese plans may be. Ambassador Cosme called on Foreign Minister Wang Chung-hui on June 15, while Ambassador Nelson T. Johnson made his call yesterday.

Millitary requirements forced Japan to ship almost US$400,000,000 worth of gold to the United States since the summer of 1937, the U.S. Department of Commerce statistics revealed. Although official Japanese figures on her holdings were lacking, financial experts in Washington believed that Japan's present holdings could not be more than US$100,000,000.

Continuing their seizure of major industrial enterprises in the "occupied area," the Japanese on June 15 organized the Hweinan Coal Mining Company, which will exploit the rich Chinese-owned Anhwei mines. The new concern capitalized at Y15,000,000.

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June 18

Japanese troops in southern Shansi said retreating northward due to severe losses inflicted by the Chinese during their recent counter-attacks. The Japanese losses particularly heavy in the fighting east of Minchiakou and Kukwang.

Chinese military reports said that 10,268 Japanese soldiers were killed and 171 captured alive in 368 battles fought during the first half of June. Twenty miles of Japanese controlled railways were destroyed and 50 miles of highway were blown up to disrupt Japanese lines of communications. Five Japanese planes were shot down during the two-week period and eight Japanese war vessels said to have been sunk.

Anti-British agitation in Tientsin gained new momentum, when a monster demonstration was staged in the Japanese Concession there. Initial Japanese measures against American interests were revealed today, when it became known that the **North China Star**, American daily in Tientsin, was banned from the mails since June 16.

British troops in Shanghai withdrew from the "Ta Tao" police station at the corner of Great Western and Columbia Roads, which they had controlled for the past five months. The building was handed over to the puppet police following the conclusion of an agreement between the Shanghai Municipal Police and officials of the puppet Shanghai city government.

Remains of Genghis Khan, great Mongolian warrior of the 13th century, removed from Inner Mongolia to Shensi; removal ordered by the National Government following rumors that the Japanese intended to rifle his tomb.

Fifty British and Norwegian surgeons, who did medical work in Spain, said coming to China to join the Chinese Red Cross, according to Chungking report.

Chow Chung-yao, aged Yunnan statesman, appointed (yesterday) Minister of the Interior.

June 19

Situation in Tientsin worsened, as threatening letters were received by all Chinese employees of the British Municipal Council, stating that unless they resign forthwith, drastic consequences will follow, including the death of their families.

The rejection by the Japanese authorities of a British appeal for more consideration for British subjects passing through barriers, the sounding of a warning to Britain by Japanese military authorities against seeking economic sanctions and the charging of barbed wire barricades around the British and French Concessions with electricity tonight marked the sixth day of the Tientsin blockade.

The puppet Nanking government said offering to buy Hongkong from the British, according to Tokyo report.

After ten days and nights of heavy fighting in southern Shansi, the Japanese were reported to be withdrawing towards Hsiahsien, Wenhsi and Yunchen areas. Heavy casualties suffered by both the Chinese and the Japanese during the fighting. In western Shansi, a lull prevails, following the recapture by the Chinese of several Yellow River crossings. The Japanese there are withdrawing in the direction of Lishih and Chungyang.

Chinese air force active on Kiangsi and Kwangtung fronts. Japanese positions in Nanchang bombed on June 14; Canton raided on June 11 and on June 12, Kiangtsu, on Canton-Hankow Railway, bombed. Considerable Japanese troop movements reported in Canton.

Spokesman of the Finance Ministry at Chungking declared that the Chinese government would withhold interest and principal payments of the Customs-secured bonds, whether domestic or foreign. Statement made in view of the approach of the 7th drawing of the Consolidation Bonds on July 31.

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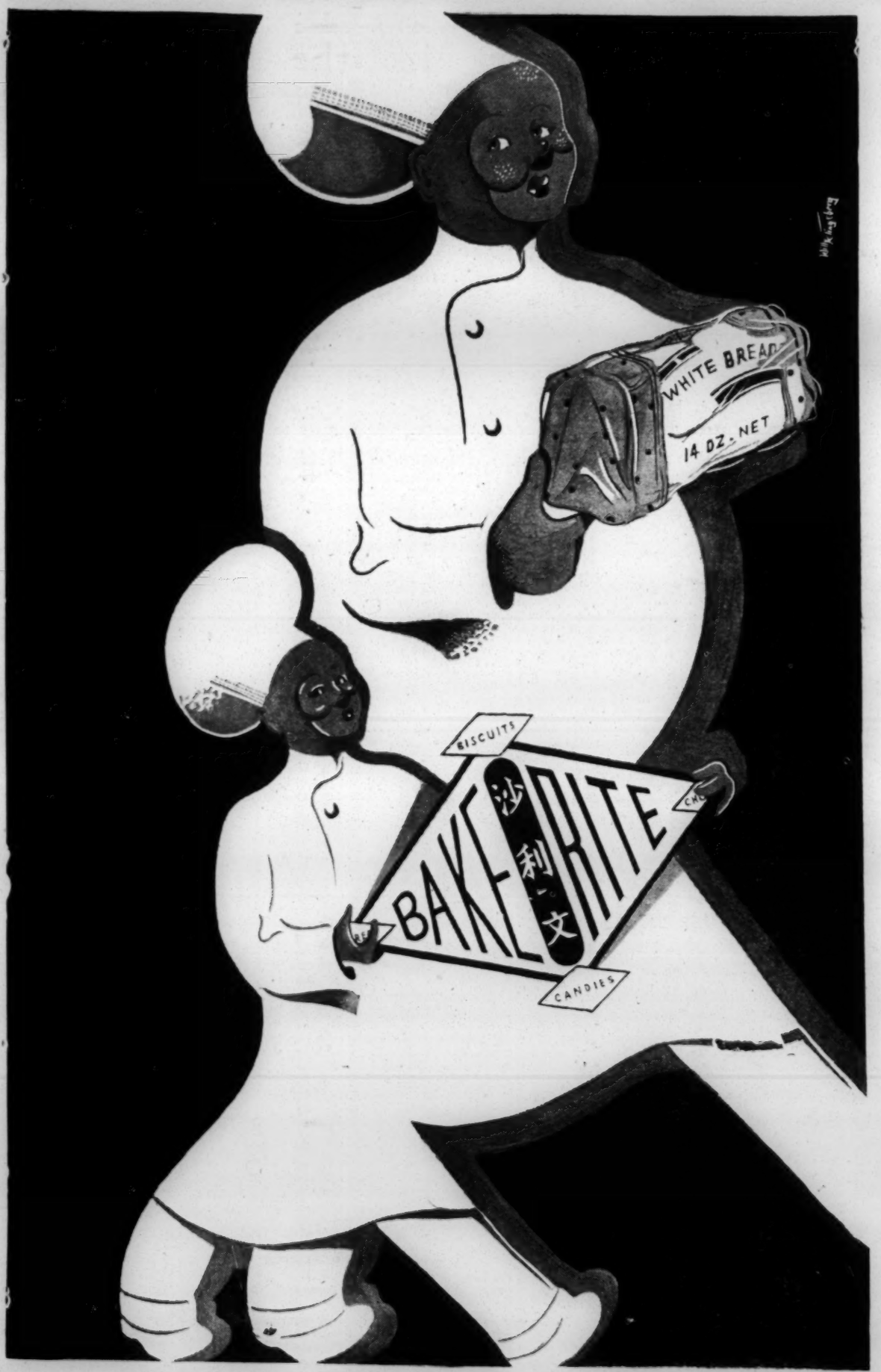
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June 20

In his first statement on the Tientsin issue yesterday, Secretary of State Cordell Hull declared that the United States was not concerned with the original incidents in Tientsin between British Concession authorities and the Japanese Army, but emphasized that America was concerned with "the nature and significance of subsequent developments." Statement regarded as broad warning to Japan.

Eugene Dooman, United States Charge d'Affaires at Tokyo, delivered two strong notes to the Japanese foreign office.

The first note protested against the bombing of American property in China by Japanese planes. The second note protested the stoppage by Japanese naval authorities of supplies destined for Kulangsu, the international settlement of Amoy.

Japanese consular officials in Tientsin, commenting on Lord Halifax's proposals to make the Tientsin situation a local affair, declared that local negotiations had been entirely suspended. The Japanese military spokesman said that Japan was willing to give consideration to the British proposals only upon unconditional revision of the British attitude in North China and full co-operation with Japan in the construction of a "New Order in East Asia."

Sir Robert Craigie, British Ambassador to Japan, lodged strong protest with the Japanese Foreign Office against the treatment of Britons passing through the Japanese barriers in Tientsin.

Dr. Quo Tai-chi, Chinese Ambassador at London, called on Lord Halifax, urging that the four Chinese, alleged to be the assassins of S. G. Cheng, the puppet Tientsin customs commissioner, be not handed over to the Japanese.

June 21.

After making two landings near the port at dawn, Japanese forces occupied Swatow, important port on Kwangtung coast, at 2 p.m., according to official Japanese report. The Japanese troops entered Swatow after heavy bombardment by aerial bombings at noon, the report added. Major portion of Chinese population evacuated; foreigners safe. Several American and British warships in port.

John K. Caldwell, American Consul-General at Tientsin, protested to the Japanese consular authorities, against Japanese interference with American nationals and property, stating that American businessmen had been greatly inconvenienced by the Japanese blockade of the British and French Concessions.

Admiral H. E. Yarnell, Commander-in-Chief of the United States Asiatic Fleet, ended his visit in Tientsin. Prior to departure for Chingwantao, he discussed the Tientsin situation with American officials.

The attitude of the British authorities in Tientsin against Japanese measures stiffened with the delivery of a "final demand" to the Japanese authorities for the release of George A. Smith, Briton, who was assaulted by the Japanese controlled Chinese police on June 15 and had since been detained by the Japanese.

Acting under direct instructions from Gen. Chiang Kai-shek, the Chungking Municipal Government ordered the 80 opium shops in Chungking to close down immediately.

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June 22

Categorical rejections of the Japanese Navy's ultimatum demanding the evacuation of all foreigners from Swatow by 1 a.m. tomorrow after which the Japanese authorities would not be responsible for foreign lives and property there, were delivered to the Japanese consular authorities in Shanghai by the American Consul-General, Clarance E. Gauss and Sir Herbet Phillips, the British Consul-General. Mr. Gauss acted immediately upon receipt of a message from Admiral H. E. Yarnell, requesting him to notify the Japanese authorities that the United

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Who's Who in China

Tsui Wei-wu, newspaper publisher; born at Wentang, Shantung, 1899; graduate of the National Normal University, Peiping 1929; Director of the Editorial Department, the Publishing Department, and the Newspaper Depart-

Tsui Wei-wu
崔唯吾

ment of the Central Publicity Board; Secretary to the Central Political Council; member of the Financial Commission; Vice-Director of the Central Newspaper Censorship Department; secretary of the Ministry of Finance; General Manager of the *Wuhan Times*; now, member of the Economic Research Department of the Central Bank and General Manager of the *China Times* (since 1930); address: *The China Times*, Chungking, Szechuan

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States would hold the Japanese at Swatow completely responsible for the safety of American lives and property. Mr. Gauss also reiterated Washington's policy that the United States Government would authorise its warships to sail anywhere in China where American lives or property were in danger.

According to field dispatches received at Chungking, the Japanese entered Swatow last night, where street fighting was in progress about 11 p.m. Chinese forces reported moving towards Swatow from the interior, in an attempt to stem the Japanese advance.

More Britons in Tientsin suffered "humiliation" at the hands of Japanese sentries. Japanese not only stripped Britons naked, but forced one to open his mouth and examined the crotch of two others for 15 minutes. A British girl was ordered to disrobe, but escaped to the British Concession.

The Soviet authorities in Tientsin lodged a protest with the Japanese against interference of Soviet citizens by Japanese sentries at the barriers.

The Finance Ministry at Chungking issued (yesterday) new ruling, regulating that withdrawals of deposits from Chinese banks in Shanghai be limited to the maximum of $500 a week. Considerable excitement prevailed in the market, as Chinese banks started to enforce the ruling. Move believed designed to check the flight of Chinese capital.

Anglo-French defence conference opened at Singapore; Admiral Sir Percy Noble, Commander-in-Chief of the British China Station, presided; Sir Percy said selected as the commander of the combined Anglo-French forces in the event of an emergency in the Far East.

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June 23

More Britons in Tientsin stripped naked by Japanese sentries. Cecil Davis, honorary agent of the New Zealand Government and president of the Tientsin Country Club, besides being stripped was slapped by a Japanese officer thrice across his mouth with his passport. The Japanese ignored the protest by the British Consul-General over the largescale stripping of British subjects.

Wen Shih-tseng, "mayor" of Tientsin, presented the following demands to the British and French consular authorities in Tientsin:

1. Immediately hand over or exterminate terrorists, Communists and anti-Japanese elements throughout the concessions.
2. Suppress the circulation of national currency banknotes and also hand over the silver stored in the foreign banks.
3. Control the currency used by Chinese banks, stores and companies.
4. Control acts, opinions, movements and activities of the Chinese people living in the concessions.

The puppet mayor's note threatened that the "Provisional Government" would take their "own action," unless the above demands were complied with.

A Chinese coolie killed by electrocution when he attempted to cross the electrified barared wire barricades around the British and French Concessions in Tientsin.

Premier Chamberlain declared in House of Commons that the Tientsin incidents were becoming "intolerable," but the time for reprisal steps not yet ripe, according to London report.

The British Navy authorities in China advised British shippers to resume trading with Swatow forthwith despite the Japanese blockade, which is not recognized by the British authorities, it was officially announced in Hongkong. British and American warships arrived at Swatow to stand watch. All Americans remain in the port city.

Tinghai, walled city on Chusan Island, off the last Chekiang Coast, occupied by the Japanese.

The Japanese landing at Swatow must not be interpreted as an extension of Japanese offensive operations in China, but an effort to divert international and internal attention from their recent failures on other fronts, commented the **Chungking Joint Daily News.** "Having failed in their recent offensives in North Hunan, Southern Hupeh and Southern Shansi, and with an end of the war no where in sight, the Japanese decided upon this step," the paper said.

Altogether 17 Japanese planes were damaged during all air raids in the Chungking area up to June 11, Chinese official circles in Chungking stated.

Yang Lien, former provincial commissioner of education for Szechuan, executed yesterday by order of Gen. Chiang Kai-shek on charge of corruption.

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Men and Events

Oliver Edmund Clubb, Second Secretary of Embassy, stationed at Nanking, who was in Shanghai for a few days last week, has returned to his post. Mr. Clubb was previously stationed at the U.S. Cousulate-General at Hankow and at the Embassy in Peiping.

•

John Swire and Sons, London representatives for the firm of Butterfield and Swire, Ltd., Shanghai, announced a contribution of 5,000 pounds sterling to the British fund for relief in China. Other gifts to the fund included 1,000 pounds in merchandise contributed by cooperative societies throughout the country.

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The Hongkong General Post Office earned a profit of nearly $2,000,000 (Hongkong currency), according to the annual report issued on June 29. The increase was due entirely to the extraordinary amount of mail handled because of the war situation, plus extra revenues received from a full year's working of the Pan American Airways Service and inauguration of the Empire Air Mail Program.

•

An exhibition showing Chinese cultural and historical development is being held in the Hermitage, Leningrad. The exhibits include works of art, early examples of Chinese written language, bronze, porcelain and ivory articles and silk fabrics. Many of the ancient pieces were obtained by the Russian traveler and explorer Kozlov from the ancient city of Harahoto.

•

C. J. Eskeline, Manager of Standard-Vacuum Oil Company in North China, stated that negotiations for the Company's continued use of railway property and sites by Standard and other foreign oil companies, were continuing. It had been reported earlier that the Peiping Provisional Government had cancelled all leases on railway sites which had been made by the National Government prior to the Japanese intervention. Aside from Standard, the British Asiatic Petroleum Company and American Texas Company were also affected. Mr. Eskeline said that the Standard had not been deprived of any of its property. He also said that it probably would be "some time" before the new Japanese controlled civilian administration could take complete charge of the northern railways which are "still operated under Japanese military control.

•

Wong Kung-dao, arrested two weeks ago for operating the fake Shanghai Municipality Children's Relief Society, was sentenced to five years in jail in the First Special District Court on Monday of this week. Wong had an office in the Pootung Guild Building on Avenue Edward VII where he exhibited a well dressed and nourished child and a considerable quantity of imported foods for children. He broadcasted appeals for assistance in helping care for hundreds of Chinese war orphans. Most of his appeals for aid were made over one of the local radio stations, although he also advertised in the local newspapers. An investigation by the police disclosed that he had collected $4,078. A book in the office contained the names of 219 children, but it was not thought the list was genuine. It was found, however, that of four children turned over to Wong, two had died and the other two probably had been sold into slavery.

Petitions are being circulated in California for the enactment of two initiative Constitutional amendments legalizing open gambling throughout the state. Games which the petitioners would legalize include book-making, faro, monte, roulette, fan-tan, poker and black-jack. Approval at a state election would be necessary before the proposals could be legal. The state senate of Illinois, on June 29, approved legislation to set up lotteries to raise funds for eradicating slum areas in Chicago. The bill had already passed the House of Representatives and will now go to the Governor for approval or rejection.

•

William P. Buchner, Jr. was convicted of using the mails to defraud in U. S. Federal Court in New York on July 1, his activities being concerned with a deal in bonds of the Philippine Railway. Sr. Felipe Buencamino, a leader of the Nationalista Party which controls the Philippine Legislature, was convicted on one count in the same case and faces a maximum sentence of two years in jail. Buchner faces a possibile sentence of 37 years for his part in the conspiracy.

•

Mme. Lydia N. Kniajevitch, once a leading actress of the Russian Theater, died at the Shanghai General Hospital on June 30. Mme. Kniajevitch began her career in Russia twenty-five years ago and had only recently celebrated her 25th anniversary as an actress. She became ill several weeks ago while performing at the Russian Theater in Harbin and was brought here for treatment. She was graduated from the Petrov Dramatic School in St. Petersburg. After an engagement in Tiflis, she toured all parts of Russia and after the revolution came to Harbin. She had resided in Shanghai for the past fifteen years and had assisted in the organization of the Russian Theater here.

•

George Soderbohn, Swedish businessman, who was arrested by the Japanese military authorities at Kalgan last week, is still being detained for "strictly military" reasons, according to a report by *United Press* from Peiping on June 29. It was the first Japanese statement since the arrest. Mr. Soderbohn is a son of the Rev. C. G. Soderbohn, head of the Swedish Methodist Episcopal Mission at Kalgan. Mrs. Soderbohn is an American. The Japanese military spokesman claimed that Mr. Soderbohn's detention had nothing to do with the Japanese Army's continued detention of Lt. Col. C. R. Spear, British Military Attache who has been held for several weeks. Col. Spear was returning to Peiping from a trip through Shensi and Shansi when he was arrested.

Pan-American Airways, which operates Clipper Planes between San Francisco and Hongkong by way of Honolulu, Midway, Wake Island, Guam and Manila, was granted a new license authorizing them to continue the commercial service, by the Civil Aeronautics Authority in Washington on July, 1. The certificate, issued after exhaustive investigation of the service by Government experts, authorizes the company to continue to carry passengers, mail and express matter.

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The Hongkong and Shanghai Bank, leading British financial institution in the Far East, has decided to sell to Japanese interests, its banking premises located in the Hongkew section of the Settlement. The branch property of the bank, located at the corner of Broadway and Seward roads, was constructed many years ago with the object of meeting the needs of missionaries and shipping men. The upper floors of the building were used as apartments.

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The U. S. Senate Immigration Committee on June 30 approved a proposal for admitting into the United States 20,000 German Jewish refugee youths under 14 years of age, providing provision has been made for their support upon arrival in the country. The committee also approved a project for suspending all immigration for a period of five years and for taking finger-prints of all foreigners now residing in the United States.

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The U. S. Customs authorities at New York, Boston and Chicago, on June 23, raided the offices of the well known Japanese importing firm of Yamanaka and Company and seized Jade objects, Japanese pottery and other articles valued between US$75,000 and US$100,000. Art objects seized included numerous carved ivory pieces. The raids were based on information from Kobe that the Yamanaka firm had been evading U. S. Customs duties.

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T. L. Soong, director of the Southwestern Transportation Company, which operates several thousand motor trucks over the new Burma-Yunnan road, announced in the course of an interview at Singapore on July 2 that all of China's produce such as tung-oil (wood oil), bristles, skins and hides, which previously were sent down the Yangtsze, would in future reach the world markets over the new Burma road. He said that the new road had given the British Empire a new route to China and that the completion of the new Burma-Yunnan Railway would cause Rangoon to become a much more important port.

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The U. S. Revenue and Customs authorities at San Francisco, on June 22, seized 250 five-tael tins of opium valued at more than U.S.$100,000 which were concealed in an unregistered trunk found aboard the President Coolidge. The trunk apparently had been placed aboard the ship at Hongkong.

•

A Chinese sampan coolie was shot in the forearm and seriously wounded by a Japanese soldier on Soochow Creek on Saturday, July 1. A party of Japanese soldiers was proceeding along the creek in a launch and when the Chinese boatsmen were too slow in clearing a way for the launch the Japanese soldier fired his revolver, striking one of the sampanmen.

•

Kao Shing-pao, manager of the ballroom at the Lido Cabaret, located on Medhurst Road, International Settlement, was arrested last week at the request of the Japanese authorities, who alleged that Mr. Kao was connected with Chinese guerillas operating in the countryside near Shanghai. However, no official statement had been issued by the police and Kao was still in custody on Wednesday of this week. It was said that the Japanese had presented no evidence against Kao.

•

Canadians in Shanghai held a reception in the Dome of the Hongkong and Shanghai Bank on Saturday, July 1, the occasion being the Canadian National Holiday. The guests were received by R. D. Ralfe, President of the Canadian Club, and Mrs. Ralfe, and by M. T. Stewart, Assistant Canadian Trade Commissioner. Among the guests of honor were Sir Archibald Clark Kerr, British Ambassador; Sir Herbert Phillips, British Consul-General; Judge and Mrs. Milton J. Helmick of the U. S. Court for China.

•

Stirling Fessenden who retired on July 1 from the position of Secretary-General of the Municipal Council of the International Settlement, has joined the local American law partnership of Franklin and Herrington. Mr. Franklin, the senior member of the firm is Chairman of the Council. At the last meeting of the Council which Mr. Fessenden attended on June 28, the Chairman expressed the appreciation of the Council for the services rendered to the municipal administration by Mr. Fessenden. He referred particularly to Mr. Fessenden's services in the 1927 crisis.

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Japanese merchants are now receiving complaints from foreign markets regarding "defective and degenerated" merchandise which is now being supplied to overseas customers by Japanese exporters. This report appeared in the Tokyo *Yomiuri* on June 10 with the comment, "drastic measures are needed to correct this situation."

•

The manager of the Japanese Nippon Yusen Kaisha Steamship Company, in Shanghai, announced on July 2 that summer tourists proceeding to Japan from Shanghai, would only be permitted to take Yen 200 with them and that this order applied to families as well as individuals. Other funds required while in Japan would have to be carried in the form of a letter of credit in Yen issued by local Japanese banks (at the official rate). The official rate for yen is slightly over Yen 3 for an American dollar, while the actual rate in Shanghai exchange shops is approximately Yen 8 for an American dollar.

•

The British freighter Bonnington, which was held up by pickets at Tacoma, Washington on June 5, is still unable to obtain its cargo of scrap iron for Japan, according to *United Press* report from Seattle. The Captain of the Bonnington thought, by moving the ship to Seattle, that he would be able to elude the pickets at Spokane. The report stated that two ships are now held up at Seattle because of the activities of pickets which are affiliated with the Committee for Non-Participation in Japanese Aggression. The head of the organization, which is national in scope, is Col. Henry L. Stimson, former Secretary of State. The proprietors of the ships attempted to block the pickets by obtainining an injunction in federal court but the pickets ignored the court order.

John Morris, Far Eastern Manager of United Press, went to Tientsin last week to cover the Anglo-Japanese crisis.

•

The Army Section of Imperial Headquarters Tokyo on May 31 issued a pamphlet giving the results of the Sino-Japanese conflict. According to a brief summary published in the *Asahi* the land area of China which the Japanese Army has seized is 2.5 times as great as the total land area of Japan. The number of casualties which the Japanese Army has inflicted on the Chinese is estimated at 2,300,000. The newspaper *Yomiuri* in publishing the foregoing report said that the armed strength of Imperial Japan is now the "greatest in the world." The statement was credited to a Col. Asano, who recently had returned from an inspection tour of the United States and Europe.

•

Miss Lee Ya-ching, China's best known aviatrix, popularly known as the Chinese Amelia Earhart, has completed a 10,000-mile flying tour of the United States, according to *United Press* message from New York on June 20. Miss Lee is conducting meetings over the country on behalf of relief for Chinese women and children refugees from Japanese air-raids. When Miss Lee landed at Newark, N. J. on June 20 she was accorded a special reception by a delegation of American and Chinese women members of the Women's International Association of Aeronautics, which has its headquarters in New York. Miss Lee's campaign was sponsored by the Chinese Catholic Bishop Paul Yu-Pin of Nanking, who is now in the United States. Members of the Committee include Col. Theodore Roosevelt, Jr., James A. Farley, Postmaster-General; William Allen White, famous Kansas editor and Douglas Fairbanks, movie star.

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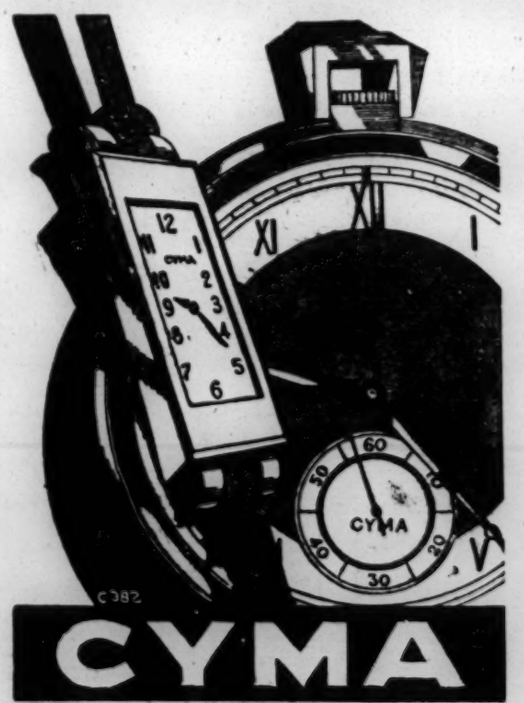

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The American Chamber of Commerce has sent a notice to local American firms urging American members to join the American Troop, a cavalry company connected with the Shanghai Volunteer Corps. The notice sa d that an attempt was being made to increiase the strength of the Troop from 50 to 100 men.

•

According to *Domei* the Tokyo Ministry of Railways and the Ministry of Commerce and Industry have urged residents of urban centers in Japan to store large quantities of coal this summer "because the railways and ship lines may be occupied in transporting munitions and war materials. . . . such as occurred last winter."

Soviet passenger and mail planes are now flying between Moscow and Vladivostok in two days, according to report from Moscow on June 13. The distance, 8,190 kilometers, requires 11 days by express train. The Russians claim they hold the world's record for length of airlines, the total distance being 108,000 kilometers.

•

Fritz Lamar Chatoney, private in the U. S. Fourth Marines was found dead in his bed at Haiphong Road barracks early on the morning of June 26. His service rifle was found on the bed beside him. A friend who heard a shot ran to the bunk and found Chatoney with a bullet wound through his chin. He was 22 years of age, had joined the Marines in October, 1936, and was scheduled to return to the United States next month.

•

Three German Alpinists, on May 29, climbed the 7,363-meters-high Tent Peak in the Himalaya mountains. The mountain, according to *Transocean*, had never been climbed. The ascent required seven days from the valley base and, exactly four weeks from the star at Darjeeling. Another German expedition, under the leadership of Peter Augschntaiter is making an attempt to scale Naga Parbat, 8,120-meter high peak at the western extremity of the Himalayas. The attempt will be made from the Diamirai ridge on the Western side. Previous German attempts to scale the peak have been made from the northeastern side.

•

Rear Admiral Yates Stirling, retired, former Commander of the U. S. Yangtsze Patrol, is the author of a new book, "Sea Duty," recently published by Putnams, New York. The book contains 309 pages and is illustrated. Admiral Stirling was born at Vallejo, California and received degrees at the U. S. Naval Academy in 1892 and the Naval War College n 1912. After extensive service in the war and at naval stations, he became Chief-of-Staff of the U. S. Navy in 1927. He was then appointed Commander of the Yangtsze Patrol and after that went to Hawaii where he headed the 14th Naval District Headquarters at Pearl Harbor. His new book is largely biographical and contains a section on the notorious Massey case which involved a naval officer and his wife at Honolulu. Admiral Stirling was in command at Honolulu at the time.

U. S. Senate Committee Proposes Emigre Ban

Immigration to the United States will be totally suspended for the next five years if a proposal adopted June 30 by the Immigration Committee of the U. S. Senate becomes law, according to a *Transocean* report from Washington. Exception would be made, it was stated, only in the case of refugee children, of whom 10,000 would be admitted to the United States annually.

In the United States Court for China

In re

ESTATE

of

WILLIAM COOK BELKNAP

deceased.

NOTICE OF HEARING

Pursuant to an Order herein made Notice of hearing for Probate of the instrument purporting to be the Last Will and Testament of William Cook Belknap, deceased, will be heard on the 9th day of August, 1939 at 10 o'clock in the forenoon in the Court Room of the United States Court for China at Shanghai.

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New Books of Interest in the Far East

Another War Book

JAPAN AND SHANGHAI—By Shuhsi Hsu, Ph.D. Prepared under the auspices of the Council of International Affairs, Chungking. Kelly and Walsh, Ltd., Shanghai, 1938.

This is a book of 104 pages, prepared during the years 1937-1938 as a volume supplementary to two books already published by Dr. Hsu—*How the Far Eastern War Was Begun* and *The War Conduct of the Japanese*. This volume deals with "what the Japanese have done to Shanghai in the present struggle." The first chapter gives the background, the second deals with the war and the war areas, and the third describes the aftermath in the foreign areas.

The point is made that Japan utilized the international character and neutrality of the settlement to her own war advantage, and that through her semi-military ronin she burned factories deliberately, including many foreign factories, and systematically removed iron machinery, boilers, sheet iron, wire and the like from factories and houses, making many scrap-iron dumps on the alleged ground of "tidying up" in the former war areas.

Japan's attempts to interfere in the administration of the International Settlement are also discussed; her demands for an increase of Japanese in the Shanghai Municipal Council, and for more appointments of Japanese to high positions under the Council. There is a catalogue of incidents illustrative of the tension that has prevailed, indicative of Japan's effort to exercise as many kinds of authority as possible within the Settlement.

Problems of this kind have of course continued to arise, and again it may be necessary for the Shanghai Municipal Council, supported by the powers that are interested in maintaining its international character until such time as it can become Chinese, to see to it that its authority is not diminished. Dr. Hsu's book serves as a convenient guide on this question.

D. R.

Speech by Dictator Stalin

REPORT ON THE WORK OF THE CENTRAL COMMITTEE TO THE EIGHTEENTH CONGRESS OF THE C.P.S.U. (B.) DELIVERED MARCH 10, 1939—By Josef Stalin. Moscow, Foreign Languages Publishing House, 1939. 54 pages.

Stalin's recent report to the 18th congress of the Communist Party of the Soviet Union takes up as its first topic the Soviet Union and International Affairs. Stalin sees in the present international situation an intensification of the struggle for markets and sources of raw materials, and the beginning of a new imperialist war after the collapse of the post-war system of peace treaties. He explains the systematic concessions made by the "democratic" states to the "aggressors:"

> "But actually speaking the policy of non-intervention means conniving at aggression, giving free rein to war, and, consequently, transforming the war into a world war. The policy of non-intervention reveals an eagerness, a desire, not to hinder the aggressors in their nefarious work; not to hinder Japan, say, from embroiling herself in a war with China, or better still, with the Soviet Union; not to hinder Germany, say, from enmeshing herself in European affairs, from embroiling herself in a war with the Soviet Union; to allow all the belligerants to sink deeply into the mire of war, to encourage them surreptitiously in this; to allow them to exhaust and weaken one another; and then, when they have become weak enough, to appear on the scene with fresh strength, to appear, of course, 'in the interests of peace,' and to dictate conditions to the enfeebled belligerents."

Stalin places upon his party responsibility for strengthening the bonds of friendship with the working people of all countries, who are interested in peace and friendship among all nations.

The second part of the report deals with internal affairs in Russia since the last Party Congress in 1934. In economic development, Stalin gives data to show the industrial progress. Grain farming records show that in the last three years the base of the grain market has shifted from the Ukraine, which was formerly considered the granary of the country, to the north and east. Advance has been made in livestock farming, which has been the most backward branch of agriculture: in number of horses and in sheep breeding the pre-revolutionary level has not been reached; in cattle and pig breeding that level has been passed. Advance in social and political development is discussed in some detail.

The report not only points out the special tasks of the Party in carrying forward foreign and internal policy, but also has a special section devoted to further strengthening of the Party itself. Stalin asserts that the Party has a more solid unity than before, due to the policy of ejecting unreliable elements and bringing the higher divisions of the Party

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closer to the work of the lower bodies. Some questions of theory are also raised and answered, particularly those relative to the abolition of the state. A program of procedure for the future policy of the Party is given. F. M. R.

Italian 'Culture Hall' Being Built in Tokyo

Construction of an Italian Culture Hall was started in Tokyo last week with ground breaking ceremonies in the presence of Prince Morimasa Nashimoto and many other Japanese. Italian and German notables.

The project was undertaken by the Italian Embassy for the purpose of facilitating the exchange of cultural contacts between Japan and Italy, *Domei* reported.

Present at the ceremonies were the Italian Ambassador, Signor Giacinto Auriti; Major-Gen. Eugen Ott, German Ambassador; Mr. Masaki Hotta, former Japanese Ambassador to Italy, and members of the Italian Embassy who were dressed in the official black uniforms of the Fascist Party.

Tokyo Loses Olympic Games for Year 1944

Passing up a request of the Olympics Committee of Tokyo Municipality, announced by *Transocean* in a dispatch from the Japanese capital on June 7, the International Olympics Committee, meeting in London recently decided on London as the venue for the 1944 Olympic Games, and not Tokyo. A Japanese representative, J. Nagai, was however, appointed on the Committee. Tokyo had been awarded the Olympic Games for 1940 and the Tokyo Municipality had made extensive preparations for the big international sporting event when the Japanese Government decided to abandon the Games due to the hostilities in China. The 1940 Games will be held in Finland.

Tokyo Traders Resent Canadian Restrictions

Deep resentment was being expressed by traders in Tokyo last week against repeated actions of the Canadian Government, which they allege is imposing unfair and discriminatory restrictions on Japanese goods.

On June 6 the Canadian authorities issued a notice stating that they would fix official prices for all items of Japanese cotton textiles and other cotton goods exported to Canada. Many discriminatory measures were said to have preceded this price-fixing move. In July last year the Canadian Government imposed restrictions on principal Japanese exports, such as pencils, gloves, automobile parts, combs, purses. On these, certificates of origin were required.

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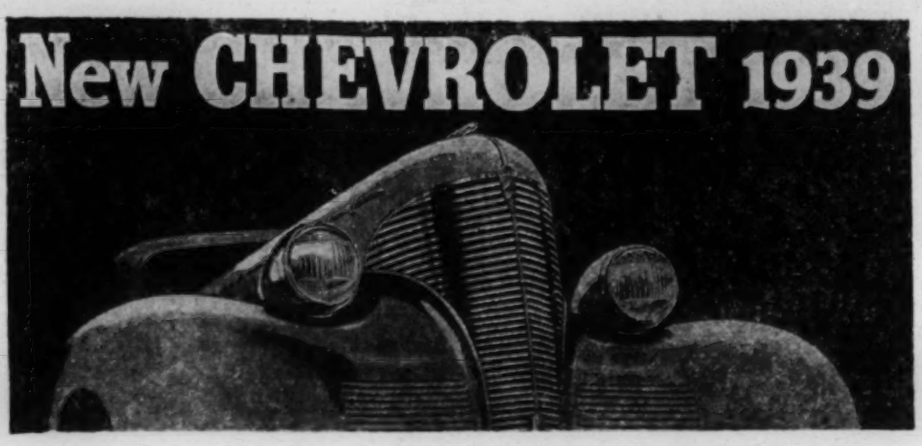

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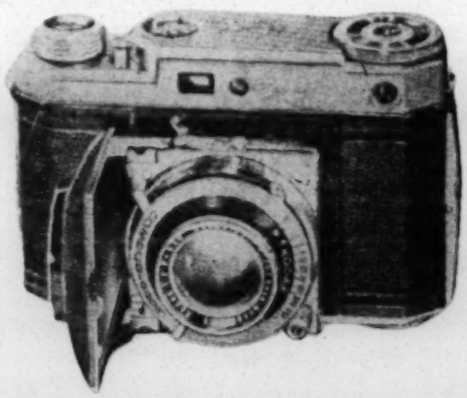

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